

BUSINESS WEEK

WEEK
AGO

YEAR
AGO

START
OF WAR
1939



War Food Administrator Jones: His food goals for 1944 face farmers' wrath.

SINESS
EEK
DEX

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ENTY CENTS



Why is Fascism doomed?

BECAUSE it is based on the principle of dragging everyone down to the level of the lowest. It panders to the cowardliness there is in everyone—the fear of failure, the envy of the successful man. Fascism says to the weakling, “You don’t need to fear failure—we’ll see that no one is more successful than you.”

There are other names for Fascism in other parts of the world, and in our own country. The principle is the same—it rewards the parasite, commends the coward, lauds the failure.

Fascism (or whatever you wish to call it) is failing because there are still millions of Americans and Britons and others in the world who are not cowards, who will not accept failure. These mil-

lions know they can produce and build and manage and create better than some vague “average

They are doing their work better, now, to win the war against failure, and they will continue to do it better, and will demand and get the reward the better worker deserves.

The American ideal to do better and have more is the only thing in the world that will let this country catch up with and pass the Germans and Japs with their leveling-down philosophy. Individual, rewarded ambition made this country strong. It is the *only* hope of keeping it that way.



YOU CAN TURN IT BETTER, FASTER, FOR LESS . . .

WITH A WARNER & SWASEY





The machine that manufactured earthquakes

A typical example of B. F. Goodrich product development

THE neighbors started complaining when this big stamping press was set to work in the factory located in their neighborhood. The building was built on layers of sand and quicksand, and every time the die came down — pushed by 90 tons of pressure — the quicksand picked up the vibrations and an artificial earthquake shook the neighborhood. In one house dishes in a china cabinet were bounced from their shelves to the floor. Lawsuits were threatened unless some way could

be found to soak up the shocks from the machine.

The manufacturer tried big blocks of concrete, placed beneath the machine, but the earthquakes continued. Then he heard of Vibro-insulators, the B. F. Goodrich mountings that can support industrial machines as though they are hanging or floating. Rubber layers are sandwiched between metal plates, which are held so that the weight of the machine gives a slight pulling or twisting action to the rubber. This way the rubber can absorb

more vibration. Vibro-insulators were installed on the big press. There hasn't been an "earthquake" since.

Vibro-insulators vary in their application all the way from the use described here to mountings for delicate instruments on warships where they give longer life and essential accuracy to instruments. *The B. F. Goodrich Company, Industrial Products Division, Akron, Ohio.*

B. F. Goodrich

RUBBER and SYNTHETIC products



HOW A WISE PURCHASE IN 1923 PROVED A WINDFALL IN 1943...

A recent call for battery operating information from a war plant mystified our engineers, for we had no record of Edison batteries in this plant. When our Service Engineer called, he found the plant using a truck powered by a battery made in 1923.

RETIRED IN 1937... This battery turned out to be one which had been reported scrapped in 1937. Actually, the truck and battery had been put in dead storage because the plant had been operating on a reduced schedule. The War had revived the need for the truck. The battery, found still serviceable, was a windfall.

WINDFALL VALUES... Today many industrial truck users are finding windfall values in their wise purchases of Edison Alkaline Batteries.

They bought long life because it meant low cost, but long life also means dependability.

And so now, in wartime, when dependability is all-important, they have a source of power not subject to interruption by sudden or unexpected failure.

Some of the unique characteristics of Edison Alkaline Batteries which account for long life and dependability are cited below.

UNIQUE CHARACTERISTICS OF THE EDISON ALKALINE BATTERY

★ It is durable mechanically. High strength steel construction is used in the container, grids, pole pieces, etc. The electrolyte is a preservative of steel. It requires no renewal of separators throughout its long life.

★ It is foolproof electrically. It may be short-circuited, over-charged, over-discharged, or even accidentally charged in the reverse direction without injury.

★ It can be charged rapidly. It may be charged at full normal rate throughout the entire length of charge and is not subject to finish rate limitations. It requires no equalizing.

★ It withstands temperature extremes. It is not damaged by freezing. Free air spaces on all sides of all cells provide ventilation for rapid cooling under high temperature conditions.

★ It is free from ordinary battery troubles. It is not subject to sulphation, shedding of active material, buckling of plates, jar breakage or other common causes of battery failure.

★ It is simple to maintain. Merely charge adequately, add pure water, keep clean and dry.

★ Its tray assembly and cell connections are extremely simple.

★ Its life is so long that its annual depreciation cost is lower than that of any other type of storage battery.



EDISON STORAGE BATTERY DIVISION,
THOMAS A. EDISON, INCORPORATED, WEST ORANGE, N. J.

Edison

ALKALINE BATTERIES

BUSINESS WEEK

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Change of Fronts

The five senators who went to the East and returned to blast American foreign policy this week have crowded the Administration into a tight corner. In the past, President Roosevelt has relied on military and diplomatic successes to help him stand off attacks on his foreign policies. Now he may have to make log-rolling concessions on important domestic issues—taxes, farm subsidies, and others—to get a prompt editorial expression of support for his foreign policy.

Forcing Roosevelt's Hand

The Connally resolution indorsing postwar international cooperation—subject to Senate ratification of specific provisions—undoubtedly will pass eventually.

In the meantime, however, the hot debate and the epidemic of inquiries into administration of lend-lease and other angles of the President's foreign record will cut the ground out from under Secretary Cordell Hull in his current Anglo-American-Russian conference at Moscow and may keep England and the U. S. from presenting a solid front to Russia.

The President kept discreet silence when the Fulbright international cooperation resolution was before the Senate, but after it had passed, he couldn't afford to let it languish in the Senate, particularly when the critical issue of the returning senators' reports shed grave doubt of his ability to deliver on any commitments made on behalf of this country.

Roosevelt not only has to get the resolution through the Senate, but also has to put enough pressure on to assure an impressive total of votes—one that is big enough to look like a vote of confidence.

Proving We're Not Suckers

Concessions on the home front will not be enough, however, to pacify Congress entirely on matters of foreign policy.

A tighter, more realistic administration of lend-lease is in the cards. Consideration of U. S. resources—oil and lumber, for example—will get more consideration. A firm statement on American postwar rights to foreign air and naval bases is likely.

There will be some carefully planned straight talking to the British, like Admiral L. Vickery's recent statement

that the U. S. intends to remain a maritime power after the war.

Object of all this will be to convince Congress and the public that the Administration is playing a realistic, business-like game—that our Allies are not playing us for suckers.

Trading on the Sales Tax

Using the threat of a sales tax as a club, Congress is forcing the Administration to back away from its goal of \$10,500,000,000 additional taxes. (Many congressmen would be willing to vote for the sales tax, but its chances are poor.)

Treasury is concentrating on getting Congress to accept its plan—heavier income taxes on individuals and corporations, abolition of the Victory tax, and increases in present excise taxes. Stress isn't on the dollar amount of new taxes. Chances are that Treasury officials would settle for \$5,000,000,000 without too much protest if Congress followed the pattern they want.

The Administration will accept a smaller yield rather than risk the general sales tax. In addition to long-standing opposition to taxes on the bottom income brackets, the executive branch is now objecting that a sales tax would wreck price and wage stabilization.

On Again, Gone Again

Consumers sniffed the air eagerly this week when it appeared that the long-awaited replenishing of civilian supplies was in the wind. WPB plunked 50,000 radio tubes into the domestic market, and 10,000 electric irons suddenly appeared in stores.

But it was all a dream. The offering of the tubes, like that of the irons (page 84), was strictly a freak.

The tubes, in the hands of Phillips Export Corp., had been bought before

restrictions hit manufacturers and were being held for export. When WPB discovered them, Phillips was ordered to disgorge, but release required a formal WPB order because Phillips is not licensed to sell in this country.

George D. Darbey Co., Reading (Pa.) distributor of radio and electrical appliances, hooked the entire batch, is now figuring methods of equitable distribution to retailers.

Coal Mines Returned

The return by the government to private ownership of all the coal mines not previously turned back was accomplished without a word of public comment from John L. Lewis whose strikes and threats of future strikes were responsible for federal control in the first instance.

Lewis, never a man to be diverted by nonessentials, kept quiet so as not to prejudice his chances of having the National War Labor Board approve the new contract between his United Mine Workers and the Illinois Coal Operators Assn. (BW-Jul. 31 '43, p. 78) which is the test case on which hangs the whole unsettled question of coal wage rates.

Termination of government control was necessitated by the Connally-Smith law which provides that federal operation of strike-threatened property must be ended 90 days after production reaches normal. Fuel Administrator Harold L. Ickes, whose sympathies have been with the miners' wage demands, could not maintain, as he has been doing, that the miners were doing their full stint as long as his continued operation of the mines implied that production was retarded because of labor trouble.

With the mines back in private hands, Lewis' Oct. 31 strike deadline is virtually erased. Even if NWLB turns down the Illinois contract—which now seems unlikely—and even if Lewis wants to close down the country's diggings, again, he has to wait 30 days under the Connally-Smith law or face stiff penalties. The board's ruling is expected in about a week.

Kaiser Bears Down at Brewster

Aware that the talent of Henry J. Kaiser is the only thing that stands between them and the virtual dismemberment of the Brewster Aeronautical Corp. through distribution of contracts

Other Washington reports in this issue include: "Containers Cut," page 14; "Small Business' New Problem," 15; "Termination Goal," 17; "Back to His Job," 18; "1945 to Mark Turn in Food Program," 19; "Beans or Peas?", 78; "More Grape Jam," 80; "Fertilizer Is Richer," 82; "Statistical Bronco," 84; "Treasury Relents," 90; "Walking on Eggs," 100. Washington trends of importance to management are also discussed weekly in *The Outlook* and other regular departments of *Business Week*.

SKILLED HANDS . . .

TO SAVE FUEL FOR VICTORY

America expects every home heating plant to do its *full duty* this winter.

Coal and oil are critical war materials. Available supplies for home heating are short of normal demands. Transportation and manpower shortages increase the necessity of extracting every B.T.U. of health-protecting warmth from these fuels.

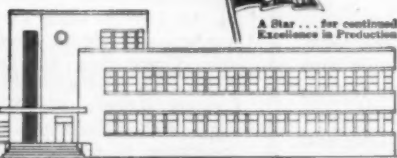
Fortunately, *skilled hands are at your service* to accomplish this . . . hands trained for the important task of "tuning up" heating plants to top efficiency, insuring complete combustion of fuel, efficient delivery of heat. Since war restricted the production of new equipment, heating service men and engineers have applied their skill and experience to saving existing plants, repairing and restoring them to deliver maximum efficiency.

You'll serve yourself and your country, too, by calling one of these skilled



men to check your heating plant. Often, simple repairs or adjustments achieve sizable fuel savings. *Conversion from hand-firing to simple automatic control can save up to 17 percent in coal.* As a manufacturer of automatic controls for all systems of heating and all types of fuel, Penn is doing its utmost to supply repairs, replacements, and new controls to the men whose skill and experience will help keep America warm this winter. *Penn Electric Switch Co., Gosben, Indiana.*

PENN



AUTOMATIC CONTROLS

FOR HEATING, REFRIGERATION, AIR CONDITIONING, ENGINES, PUMPS AND AIR COMPRESSORS

labor to other companies, Brewster and Navy advisers have given West Coast production whiz a free hand in trying to close the 18-month gap between schedules and delivery of bombers.

Installed as Brewster's new president last week (he was board chairman before), and serving without compensation or stock options, Kaiser has forsaken the long-distance telephone and insisted on the spot handling of the company's tangled affairs from his New York City headquarters.

His first move was dramatically audacious—a long talk with Thomas De Lorenzo, union boss of Brewster's 21,000 employees, frequently charged with responsibility for many of the company's woes.

De Lorenzo, who has kept the score better than even in throwing back charges at the company's management, came out of the meeting singing a new song. His statement, "My paramount duty under the present war conditions is to support the Navy and Kaiser management and to do everything within my power to be useful," was considered a Kaiser achievement fit to be set alongside his Liberty ship production record.

Radio Time for Unions, Co-ops

The Federal Communications Commission made use of this week's decision approving the sale of the Blue Network to Edward J. Noble, Life Savers president (BW—Aug. 7 '43, p. 78), to lay down policy that radio must keep "an open mind" in accepting customers. That the commission means (and the industry expects it to enforce its intentions) is that broadcasters must accept labor unions, cooperatives, and other organizations which deal in "controversial" issues, as paying clients on the same basis as commercial advertisers. FCC Chairman James L. Fly also is trying to control program content through a series of speeches warning broadcasters not to gag news commentators who have joined unions and co-ops in talking about "freedom of the air." These tactics show that the FCC is casting its oats since wide publicity forced Congress to oust Rep. E. E. Cox of Georgia as chairman of the House committee investigating the commission, substitute quiet Rep. Clarence Lea of California.

OPA Regulations Register

OPA considers receipt of 66,000 price complaints in August, against 12,000 in May, as evidence that it is doing a

better—not worse—job of price control. It not only shows that consumers are more price conscious—which is just what OPA wants—but also indicates that such increased awareness is largely the result of OPA's own efforts.

The big upturn in complaints came just about the time that dollar-and-cents community ceilings, volunteer price panels, and the Home Front Pledge drive really got under way.

Price Control—Pro and Con

While organized labor and organized and unorganized consumers are increasing the pressure on OPA for more and better price control, business is putting up stiffer resistance to increased price regulation.

The business man's back is up for two reasons:

(1) After a year and a half of price control, the water has been pretty well wrung out of manufacturers' and distributors' margins.

(2) As long as total volume was expanding, they could stand a little price trimming; but now output for civilian use has stabilized in some lines, contracted in many others.

OPA also is handicapped by having to carry on under political scrutiny. The closer elections get, the more price control becomes a political issue.

Vinson Takes the Reins

OPA's inability to see eye to eye with other government agencies—notably the War Food Administration—is the ac-

cepted reason why virtually all major (and some minor) price decisions are now being made by Economic Stabilization Director Fred M. Vinson. But more important is Vinson's determination, as one of the President's chief political deputies, to keep a tight hand on the reins. Here's one case:

OPA and WPB's Office of Civilian Requirements have a plan for stepping up output of men's and children's low-priced underwear by allowing a few price boosts (page 84). They were going ahead on their own hook until the project was yanked upstairs for inspection by Vinson.

Aid for China—and Ourselves

Lauchlin Currie, top executive in the Office of Economic Warfare, is working on a 15-year plan for cooperative rehabilitation and economic development of China. The program will get under way as soon as machinery and materials can be shipped into China by the new land routes which will be opened next year (BW—Oct. 9 '43, p. 46).

Officials think that the Chinese program will offer an outlet for at least a part of U. S. postwar surpluses.

For a Finer Mental Screen

Although the draft has been working three full years, Army and Navy officials haven't yet solved the problem of screening out potential psychiatric cases to their own satisfaction.

The present system is a long way from

World Bank—What It Is and How It Works

Bankers who had expected something shocking were relieved when they finally got a look at the Treasury's closely guarded plan for a world bank. What the Treasury proposes is a United Nations Bank for Reconstruction & Development, empowered to make loans and guarantee private advances to member countries.

According to the prospectus prepared by Harry D. White of the Treasury, all loans would be on a business footing—no political handouts or diplomatic subsidies. No operation could be begun without approval of the country involved.

In most respects, the world bank plan would be easier for bankers and Congress to take than its companion piece, the proposal for an interna-

tional currency stabilization fund. The currency proposal would require member nations to surrender some of their freedom to control the value of their own currency. The bank plan would merely set up an agency to supplement private investment.

The idea behind the bank is that after the war investors will be timid, and devastated countries won't be able to get credit through the regular channels without some sort of indorsement. Hence, a world bank will be needed to underwrite loans for reconstruction.

From the American business man's standpoint, the big trouble is that the bank also could finance industrial expansion of other nations, might build up competition as well as restore shattered economies.



In every industry
SKILSAW
DISC SANDERS
 keep "Grinding Away" at
 America's Biggest War-Jobs

• Want to boost your surfacing production? Put SKILSAW DISC SANDERS to work. They're setting the pace in busiest war plants everywhere! They speed shipbuilding by beveling steel plates, getting them ready to weld sooner . . . removing rust and scale from all surfaces *quicker!* They rush tanks, planes and war equipment off assembly lines by grinding down welding beads in less time . . . sanding and filing *faster!*

SKILSAW DISC SANDERS will bring this same speed to YOUR toughest jobs . . . whatever the material, whatever the operation!

SKILSAW DISC SANDERS do all finishing on flat or curved surfaces of all materials, with numerous accessories like sanding discs, grinding wheels, wire brushes, polishing bunnets, etc. They're light, compact and powerful. Ask your distributor to demonstrate SKILSAW DISC SANDERS today!

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 PORTABLE ELECTRIC
TOOLS

MAKE AMERICA'S HANDS
 MORE PRODUCTIVE!

★ WASHINGTON BULLETIN (Continued)

airtight, for mental trouble continues to be the largest single cause of disability discharges. It's also open to criticism because, as a result of the lack of selectivity in the rough-and-ready methods used in the psychiatric examinations at induction stations, a good many acceptable men are being rejected.

To give the examiners more background information, particularly mental case histories, Selective Service is installing a new system of compiling medical, educational, and social records of all men who come up for induction.

FHA Keeps a Free Hand

The Federal Housing Administration had a bad moment when Sen. Charles L. McNary proposed that federal mortgage loan insurance be granted on properties without distinction as to race or creed of owners. This would have made it impossible for FHA to finance properties whose deeds carry restrictions against sale or lease to members of specified racial or religious groups. Since such deed restrictions are the rule rather than the exception in many housing developments, FHA's freedom of action would have been considerably curtailed.

However, the Republican leader was talked out of his proposal, and the bill extending the present mortgage loan insurance system until July 1, 1946, went through without mishap.

Victory Tax Made Easy

Simplification of the country's tangled tax system took its first real step this week when the House voted to abolish the postwar credit features of the Victory tax. Although this action would cut the rate from 5% to 3% for married men and to 3.75% for single men, it wouldn't make much cash difference to taxpayers who have been taking advantage of the provision that lets them offset bond purchases and insurance premiums against the postwar credit. Big saving would be in paper work and mental wear and tear.

Moroccan Cannery

Spain and Portugal are going to get a lot less dollar exchange and also less tinplate as a result of the transfer to French Morocco of British orders for half a million cases of sardines.

London had been buying sardines from Spain and Portugal—at a very high price—while we furnished the tinplate for canning. Alternative was to ship Britain our own sardines.

Now the Combined Raw Material Board has allocated some tinplate to Morocco where American machines may pack up to a million cases a year of sardines for Britain, fruits and vegetables for U. S. troops. It all saves shipping space.

For More Foreign Oil

The globe-trotting senators kicked because too little reliance was being placed on foreign oil, but they deserve all the credit for the direction of the Petroleum Administration of War to step up such exploitation.

In July, the President broached the question because it was becoming obvious that U. S. output couldn't meet military demands plus civilian rationing. So the visit of the Saudi Arabian prince to the White House (BW—Oct. 9, p48) was no accident.

California Arabian Standard Oil Co. is seeking skilled recruits (BW—Oct. 9, p76) for its Arabian operation, the government helps out, the American interests won't be upset; if the senators carry the ball, Petroleum Administrator Harold L. Ickes won't be ruffled.

Capital Gains (and Losses)

Vice-Commissar A. I. Vishinsky, the prosecutor in the famous "purge" trial of 1937-38, heads the delegation of representatives which the U.S.S.R. named to the Allied Mediterranean Commission, now renamed the Political Military Commission.

Fifth major farm lobby in Washington will be the National Cooperative Milk Producers Federation which will pull out of the National Council Farm Cooperatives in December.

The Budget Bureau is in a dither because of the Treasury's alleged extravagance in publicizing the recent war bond drive.

Sen. Rufus C. Holman of Oregon, trying, without success, to jar loose the War Mobilization Director James B. Byrnes a report which reportedly shows heavy over-purchasing by the Army, Navy, and Maritime Commission. The word on the subject: Byrnes told Holman the report had been submitted to the President and was out of his hands.

Recent visitors to German prison camps in this country say Nazi soldiers like the treatment they are getting and frequently tell visitors: "After the war we will tell our Fuehrer that you treat us well. Then he will be more lenient with America."

—Business Week
 Washington Bureau

FIGURES OF THE WEEK

	\$ Latest Week	Preceding Week	Month Ago	6 Months Ago	Year Ago
THE INDEX (see chart below)	211.5	211.6	212.4	203.7	188.2
PRODUCTION					
Steel Ingot Operations (% of capacity)	102.2	100.8	99.6	98.8	100.2
Production of Automobiles and Trucks	20,635	21,265	18,860	18,080	20,275
Engineering Const. Awards (Eng. News-Rec. 4-week daily av. in thousands)	\$9,721	\$8,491	\$7,924	\$13,456	\$27,017
Electric Power Output (million kilowatt-hours)	4,342	4,359	4,229	3,882	3,702
Crude Oil (daily average, 1,000 bbls.)	4,390	4,328	4,354	3,949	3,857
Bituminous Coal (daily average, 1,000 tons)	2,013	12,017	2,002	2,027	1,934
TRADE					
Miscellaneous and L.C.I. Carloadings (daily average, 1,000 cars)	85	84	83	81	87
All Other Carloadings (daily average, 1,000 cars)	67	67	67	52	64
Money in Circulation (Wednesday series, millions)	\$18,883	\$18,818	\$18,740	\$16,353	\$13,830
Department Store Sales (change from same week of preceding year)	-5%	+2%	+1%	-7%	+2%
Business Failures (Dun & Bradstreet, number)	42	42	24	92	173
PRICES (Average for the week)					
Spot Commodity Index (Moody's, Dec. 31, 1931 = 100)	247.8	247.9	247.3	247.3	234.7
Industrial Raw Materials (U. S. Bureau of Labor Statistics, Aug., 1939 = 100)	160.6	160.7	160.5	159.9	155.3
Domestic Farm Products (U. S. Bureau of Labor Statistics, Aug., 1939 = 100)	217.6	217.0	215.9	208.3	186.5
Finished Steel Composite (Steel, ton)	\$56.73	\$56.73	\$56.73	\$56.73	\$56.73
Scrap Steel Composite (Iron Age, ton)	\$19.17	\$19.17	\$19.17	\$19.17	\$19.17
Copper (electrolytic, Connecticut Valley, lb.)	12.000¢	12.000¢	12.000¢	12.000¢	12.000¢
Wheat (No. 2, hard winter, Kansas City, bu.)	\$1.50	\$1.48	\$1.45	\$1.39	\$1.21
Sugar (raw, delivered New York, lb.)	3.74¢	3.74¢	3.74¢	3.74¢	3.74¢
Cotton (middling, ten designated markets, lb.)	20.43¢	20.46¢	20.37¢	21.15¢	18.80¢
Wool Tops (New York, lb.)	\$1.363	\$1.368	\$1.360	\$1.322	\$1.229
Rubber (ribbed smoked sheets, New York, lb.)	22.50¢	22.50¢	22.50¢	22.50¢	22.50¢
FINANCE					
90 Stocks, Price Index (Standard & Poor's Corp.)	93.0	95.4	94.6	89.3	74.5
Medium Grade Corporate Bond Yield (30 Baa issues, Moody's)	3.83%	3.83%	3.82%	3.97%	4.23%
High Grade Corporate Bond Yield (30 Aaa issues, Moody's)	2.70%	2.70%	2.69%	2.76%	2.79%
U. S. Bond Yield (average of all taxable issues due or callable after twelve years)	2.30%	2.30%	2.30%	2.32%	2.34%
Call Loans Renewal Rate, N. Y. Stock Exchange (daily average)	1.00%	1.00%	1.00%	1.00%	1.00%
Prime Commercial Paper, 4- to 6 months, N. Y. City (prevailing rate)	1-1/2%	1-1/2%	1-1/2%	1-1/2%	1-1/2%
BANKING (Millions of dollars)					
Demand Deposits Adjusted, reporting member banks	30,322	30,613	36,283	32,955	27,819
Total Loans and Investments, reporting member banks	51,278	50,998	46,902	41,646	35,975
Commercial and Agricultural Loans, reporting member banks	6,277	6,207	5,765	5,825	6,605
Securities Loans, reporting member banks	3,210	2,993	1,544	1,008	814
U. S. Gov't and Gov't Guaranteed Obligations Held, reporting member banks	36,215	36,210	34,213	28,998	22,179
Other Securities Held, reporting member banks	2,946	2,986	2,918	3,213	3,523
Excess Reserves, all member banks (Wednesday series)	1,700	1,810	1,440	1,976	2,291
Total Federal Reserve Credit Outstanding (Wednesday series)	9,775	9,543	9,742	6,848	3,784

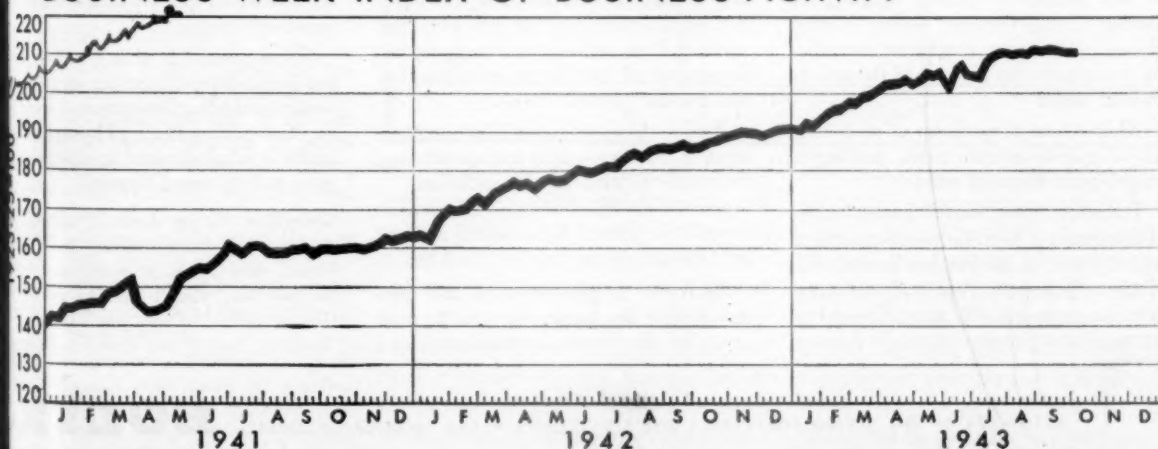
Preliminary, week ended October 9th.

† Revised.

† Ceiling fixed by government.

§ Date for "Latest Week" on each series on request.

BUSINESS WEEK INDEX OF BUSINESS ACTIVITY



Business Week - October 16, 1943



Back the Attack With War Bo

Nerve system

Dodging through flak, or slashing through vicious swarms of enemy fighters, the Boeing Flying Fortress* seems a living thing . . . its every movement controlled by a nerve system not unlike that of the human body.

This system is made up of more than 5000 separate electric wires, totaling in length more than six miles.

Formerly, these metal nerves—many of them strung in conduit—were installed wire by wire as the bomber neared completion. But with America's desperate need for more and still more Flying Fortresses, Boeing engineers sought a faster,

simpler method. First, they devised a way to eliminate the conduit. Then they divided the wiring system into simplified subassemblies, in each case mapping out the course of the wires on a template like the one pictured above.

Today these subassemblies—reduced to 26 in number—are wired quickly and accurately in advance of installation . . . largely by unskilled women who couldn't even fix a broken light switch in their own homes!

Each unit is pre-inspected, and then installed in its proper section. In final assembly, the Fortress sections are joined

together and the wiring subassemblies are connected quickly and accurately numbered plugs.

So successful is this method that it has been adopted by other airplane companies, including Douglas and Vega. They are also building Boeing Flying Fortresses under a whole-hearted co-operative program to help speed Victory!

Some day Boeing research, design, engineering and manufacturing skills will be turned once again to peacetime products for your use. And it will be notably better then, as today, of any product . . . if "Built by Boeing" it's bound to be good.

DESIGNERS OF THE FLYING FORTRESS • THE STRATOLINER • PAN AMERICAN CLIPPERS

*THE TERMS "FLYING FORTRESS" AND "STRATOLINER" ARE REGISTERED BOEING TRADE-MARKS

BOEING

THE OUTLOOK

When It's Over Over There

Extent of demobilization will depend, once Hitler is disposed of, on how far we have pushed Japan back meanwhile; manpower will limit reconversion more than materials.

Italy's war declaration this week would quicken interest in impending developments in other theaters—the Pacific and Burma. To the extent that Italy's action frees ships from the Allied Mediterranean battle fleet, the day of a full offensive in the Orient (the monsoons are over and several months of good fighting weather are ahead) is brought closer to hand. Conferences of American naval chiefs in Hawaii and of the American supply chief, Lt. Gen. Vernon Somervell, with Lord Louis Mountbatten in India lend authority to the belief that offensives are in the making.

Reconversion Prospects

If we make good progress against Japan in the next few months, it will be of the utmost business significance because of the effect it will have on the extent of our demobilization when Hitler has been disposed of. No major reconversion before the defeat of the Axis seems probable, more because of limited manpower than lack of materials; the latter appears, in a number of cases, to be easing. Aluminum is an example.

Secondary aluminum markets are flooded, with transactions taking place at prices below ceilings. Manpower, components, and design bottlenecks in aircraft production have held consumption below the tremendously expanded capacity to turn out aluminum. The increase in capacity has been sharper still in the case of magnesium, but technological difficulty in finding appropriate alloys has been even more acute.

Steel Program Shifts

The improved shipping situation has eased lend-lease needs for zinc and for copper; the latter, however, is still in short supply, partly because of manpower shortage in domestic mines. Shipping improvement accounts for larger supplies of chrome, manganese, and other alloying metals. And the war need for alloy steel itself has been reduced by cutbacks in such programs as tanks—to the extent that production is scheduled to flatten out.

This has created a problem in steel: Jobs normally are made in electric furnaces, but the shortage required that they be made also in openhearth.

Now, additional electric furnace capacity is coming into operation, and WPB wants alloy output shifted to them from openhearth, particularly since openhearth can be filled to capacity for carbon heats but not for alloys.

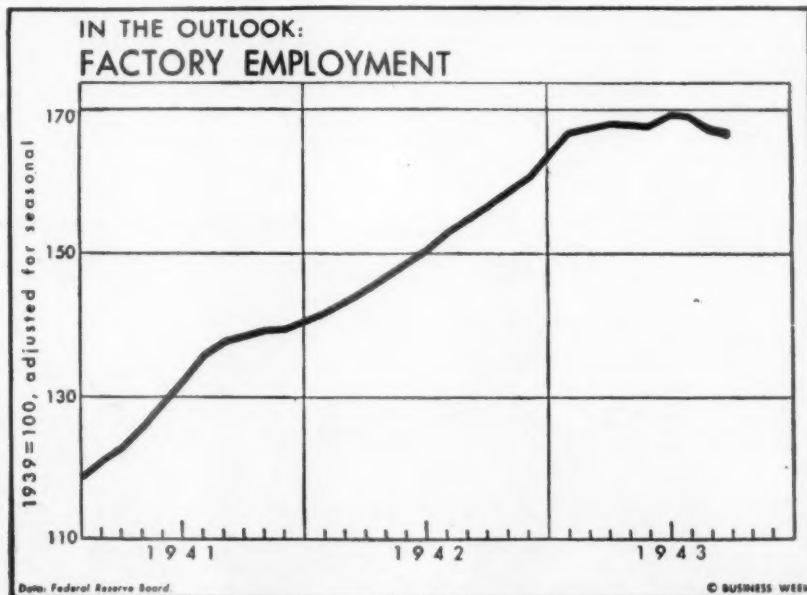
Perhaps the best index to the easing in materials is the fact that requirements under the Controlled Materials Plan for carbon steel—chief war metal—for the first quarter of 1944 are reported to exceed supplies by only 10%. In past quarters, the excess of requirements ranged between one-fourth and one-third of the available supply. This clearly does not mean that carbon steel is plentiful; indeed, increases in allocations for nonmunitions items are apt, as in the past, to be fairly small, and to be limited to civilian or industrial goods of an "indirect war" nature.

In general, so long as the national emphasis lies on increasing total war production, thereby preempting more of our shrinking manpower supply, a surplus of any material—even perhaps of carbon steel, should it come in the second quarter of 1944—will hardly be translated into more strictly civilian output.

Practical Demonstration

Over-all background on manpower is given by the seasonal drop in total non-farm employment during September to 41.2 million persons, from the July figure of 42.2 millions, as youngsters returned to school. Even though many boys and girls remained in the labor market on a part-time basis, September employment is one million below a year ago.

Right now, such key programs as trucks, tires, and lumber are being seriously retarded by lack of labor. And the shortage of manpower in the forests is the principal reason for the growing crisis in container supplies—causing a bottleneck for essential production because containers aren't available to package the goods.



During the past three months, factory employment—after adjustment for minor seasonal ups and downs—has eased back to the January level. This reflects the increasing shortage of manpower. Though job rosters have expanded in aircraft, shipbuilding, and similar munitions lines, many other industries—lumbering, textiles, apparel, food, steel, building materials—have

suffered losses in their labor forces which, in some instances, have forced curtailment of production. In the aggregate, the inability to maintain employment totals accounts for the flattening out in industrial activity in recent months (BW—Oct. 9'43, p13). Continued recession in the employment curve must ultimately mean a reduction in total factory output.

Containers Cut

Permitted use reduced 5% by WPB, and another cut is in prospect largely because of raw material shortages.

Containers are scarcer than commodities that go into them, harder to get than the labor to make them, and, although the peak demand is expected to decline this month with the fruit, egg, and vegetable seasons, WPB is not disposed to be optimistic. Military and lend-lease demands are unpredictable. The bottleneck is raw materials, especially wood and its paper products, and steel. This week WPB cut the permitted use of paper containers by an average of 5% and expects to restrict them another 5% soon by adding other products to the percentage quota lists issued Oct. 11.

• **Deficit in '44**—The Combined Pulp & Paper Committee, set up Aug. 25 to study conditions in the U. S., Canada, and Great Britain, issued a preliminary report this week estimating that paper pulp deficits for 1944 will be equivalent to 27% of requirements.

This year containers have used half the paper supply, 40% of the lumber, 7% of the steel, and all the container glass produced. Container board alone used more pulp than went into newsprint.

• **No More Substitution**—The era of substitution, when tin cans could be replaced with glass jars, or wooden boxes with paper cartons, is past. Most commodities are frozen in their present

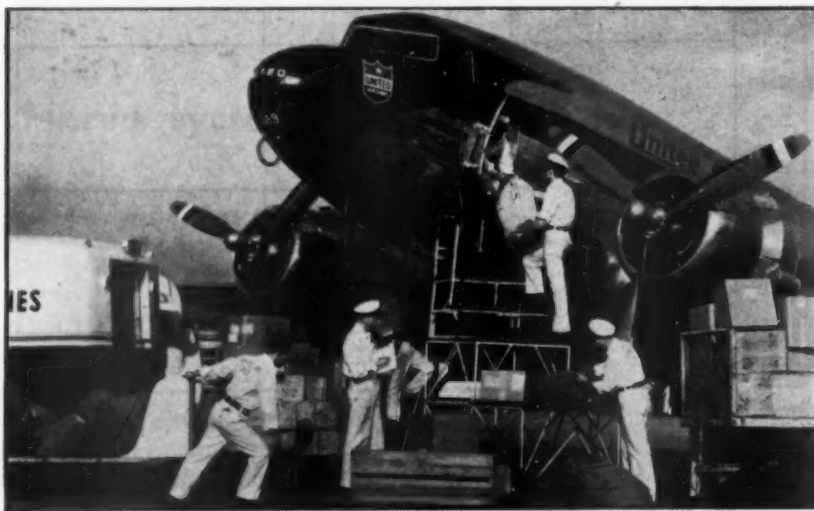
packagings. WPB has even loosened up on some metal allotments because canners were unable to find usable substitutes. New plans for meeting the situation call for re-use of containers, drives to increase production, and strict control over which products may be packaged.

Already such firms as Wrigley (chewing gum) and Curtis and Schrafft's (candies) are buying back cartons from their retail outlets. Bars and hotels have been told by the Treasury Dept. they may send their bottles back to distillers for refills instead of smashing them, and dairy stores often collect a 5¢ deposit per milk bottle to insure its return. Beer is hard to buy without turning in an empty.

• **Pulp from Farms**—Farmers, no longer afraid of losing their draft-exempt status if they chop pulpwood, are supplying 25% of the pulp WPB gets for containers, but no one knows how long this will continue. Military demands are likely to increase as a big overseas army continues to need larger shipments of food and supplies. Both Army and lend-lease containers have to be sturdier than domestic packages, hence use more material.

The embarrassment caused by the ineptly run wastepaper campaign in 1941 is hampering the new wastepaper drive, although this year it is being held in areas near enough to mills so the collections won't lie around in hundreds of small towns because of lack of transportation.

• **Jar Shortage Serious**—Glass makers are oversold 26%, with wide-mouth jars the scarcest. Since these are used for petroleum products, paints, insecticides, anti-freeze, coffee, and fats, the shortage is



CARGOLINERS ARRIVE

"Flying freight cars" become a reality this week end as United Air Lines inaugurates the first coast-to-coast service exclusively for cargo. Three refitted

DC-3 transports, recently released by the Army, go on the daily schedule to haul three-ton loads each way between New York and San Francisco. The cargoliner's first picture (above) indicates its type of freight.



T FOR TANKERS

With a new production flag (above) the U. S. Maritime Commission is playing shipyards against one another to needle tanker output, already breaking all records. The initial award goes out this month to the yard with the way-for-way launchings in September. Later, contemporary monthly champions will fly it while competing for permanent possession of the 5-ft. flag and the impressive title: United States Tanker Production Champion of the United Nations' War Effort. Meanwhile, the 100-odd tankers launched through September beat the entire 1942 record by 60%.

serious. Raw materials for jars are plentiful, but plant capacity isn't sufficient for present demand, even though production has jumped about one-third since U. S. entry into the war.

Steel drums are limited by the sheet available; only solution at present is re-use and care in preserving current stocks. From 10% to 15% of drums never come back from overseas—they're used as floats. Somewhat higher price ceilings for reconditioning gave repair industry a lift that it had hoped for (page 64).

• **Bigger Cans**—Tin cans, for those with permission to use them, are obtaining up to quota levels, partly because of fairly satisfactory salvage campaigns and more because of simplification in design and use of bigger cans. Compared to the 400 sizes of peacetime cans, only a dozen or so types are now permitted. No. 10 (hotel size) can holds 8 more food per unit of tinplate than No. 2.

WPB says more positive limitations are ahead. It will go to its various commodity divisions next and ask them to determine just how much paint, for example, is required. Then it will limit paint production so as to conserve tinplate.

Small Business' New Problem

It's so late in the game that those without war jobs may well think of coming race for peacetime business; SWPC, its last legs, may have to map reconversion or quit.

Absorption by the war effort of all businesses, large and small, which have capacity, capability, and honesty to carry through a contractual commitment is reaching the saturation point. There's tacit admission of this in the shifting interest of the champions of small business from its war to its postwar problems and practical proof in the declining trend in the number and value of Army and Navy contracts going to small plants. Some small plants which haven't had any war work to date will be some, but it will be work parceled out for the purpose of relieving minor bottlenecks, work needed from the standpoint of war production and not from the standpoint of giving a concern something to do.

Ready for Postwar Race—The plain fact is that, as the end of the war approaches, loading war work upon small businesses, whose capital is limited, would handicap rather than help them. It might rob them of their chance in the reconversion race for which all industry now is getting set.

Before his resignation a few weeks ago, Robert W. Johnson, chairman of the Smaller War Plants Corp., stated that, with the transition from a wartime to a peacetime economy, small business will be confronted with problems just as serious as those it has already experienced in the peace-to-war transition.

The opportunity for small business here on may lie in the fact that production of essential civilian goods has reached a low point. The SWPC hopes to lay hold of this fortuitous circumstance by arranging with WPB's Office of Civilian Requirements that as becomes necessary to expand production of essential civilian goods—and locate critical materials for their manufacture—the smaller manufacturers be given a chance to obtain as much of the work as they are capable of undertaking.

Behind a Resignation—Johnson's frank sponsorship of this means of bringing small business through the transition period was the immediate cause of his resignation. His temerity in suggesting that as ordnance contracts are cut back the Army should release the materials for essential civilian uses so incensed Robert P. Patterson, Under Secretary of War, and Lt. Gen. Brehon B. Somerwell, chief of the Army Service Forces, that they prevailed on Donald Nelson, chairman of WPB, to request Johnson's resignation as SWPC's head.

Just a few weeks previously Johnson

had resigned his wartime commission as brigadier general to do battle for civilian industry without the restraint laid upon him by his uniform. And Johnson's parting shot when he quit SWPC was that more orderly administration of the home front would be one of the greatest contributions to the war effort. Pointing a finger at absenteeism, he said that when women have to stay home to do the family washing, a washing machine becomes as important as a bomber.

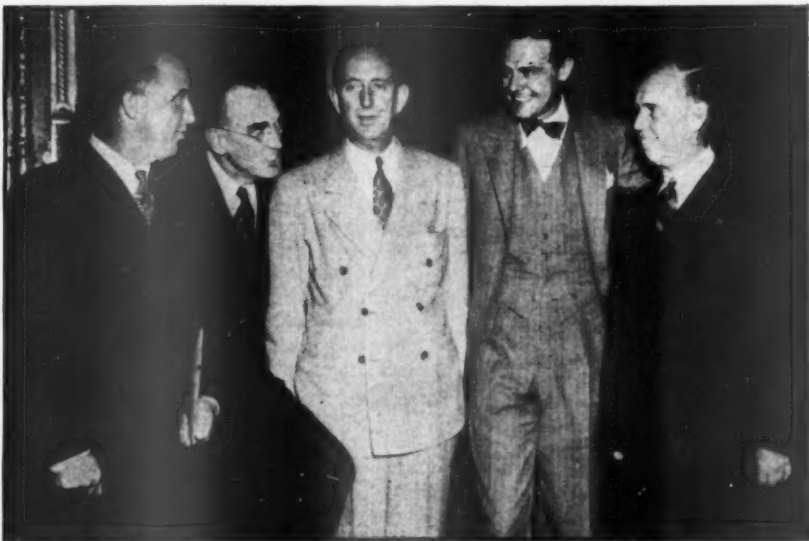
● **SWPC's One Chance**—Johnson's successor in SWPC will not be named before Donald Nelson's return from Europe later this month. Unless some able executive gets the job and succeeds in setting up some sort of scheme looking to the safe conversion of small plants to the manufacture of peacetime products, the SWPC itself is not likely to survive the transition period. It ceases to exist by statutory limitation on July 1, 1945, unless, of course, Congress extends its life.

The importance of the role, if any, which SWPC may play in building the economic bridge from war to peace is no more certain than that of any other war agency. SWPC's own young bureau builders are dreaming dreams for its future that bear small resemblance to old-fashioned competitive capitalism.

● **A Great Many Friends**—Organized attempts to mobilize small concerns for the war effort grew out of several years of conscious political solicitude for the welfare of "small business." Its rooters had become extremely vocal in the post-depression period as everybody will remember who attended the riotous conference called in February, 1938, by Daniel Roper, then Secretary of Commerce.

Before and after this fiasco, various organizations sprang up around the country, some of which at least had at heart the interest of dues-paying members. Thurman Arnold's antitrust crusade and the attack of the Temporary National Economic Committee against monopolistic combinations and practices rolled along until overtaken by the rumblings of war in Europe. So, by the time the era of national defense arrived and President Roosevelt had proclaimed a limited national emergency, small business was a hot potato.

● **Follow a New Tack**—But in the rush to arm, the Army and Navy went to the



SENATE SHORT SNORTERS

With five members just returned from a 40,000-mile air tour of Allied battlefronts, the Senate is now better informed than ever on the strategies of war and peace. On the delegation were three Democrats (left to right): Albert B. Chandler, James M. Mead, and Richard B. Russell; and two Republicans: Henry Cabot Lodge and Ralph O. Brewster. In secret sessions

last week, they reported on their firsthand inspections—opposing an early cross-channel invasion of Europe and advocating: (1) tighter lend-lease controls; (2) demands for more help from other nations in international relief; (3) acquisition of outer rings of post-war defense bases. Most controversial of their reports thus far is Sen. Lodge's view that Siberian bases could save at least 1,000,000 Allied casualties in the Pacific offensive.

SWPC'S RECORD

Statistically, the record of the Smaller War Plants Corp. is sketchy, especially in the months immediately following its formation in June, 1942. Later periods, such as the interval from Mar. 27 to Sept. 1 of this year, give a better estimate of the volume of its operations.

A report covering this five-month period reveals that SWPC received 3,024 procurements valued at \$1,736,000,000 from the Army, Navy, and other agencies. In this same period, contracts placed against procurements—with SWPC's assistance—numbered 5,599 valued at \$482,000,000 to 3,645 firms. Distribution of these contracts by regions, in percentage of dollar volume, was as follows:

Region 1, Boston	6.6%
Region 2, New York	24.7%
Region 3, Philadelphia	7.5%
Region 4, Atlanta	7.6%
Region 5, Cleveland	10.0%
Region 6, Chicago	18.3%
Region 7, Kansas City	6.3%
Region 8, Dallas	7.2%
Region 9, Denver	1.0%
Region 10, San Francisco	1.4%
Region 11, Detroit	2.9%
Region 12, Minneapolis	1.0%
Region 13, Seattle	2.3%
Region 14, Los Angeles	3.2%

In the April-September period, SWPC reports that it was instrumental in the placement by prime contractors of \$123,000,000 in subcontracts. SWPC has made very little use of its power to act as a prime contractor in its own right. To Sept. 30, it had taken six prime contracts from the Army and Navy totaling \$12,700,000. The reason for the low figure is because the procurement agencies have agreed to place prime contracts with those same small firms (the \$482,000,000 figure above) with which SWPC would have placed subcontracts had the corporation itself taken the prime contracts.

big firms which had taken care of the services' small needs during the lean years of peace. When the defenders of small business discovered what was going on under their very noses, they changed their tune. Instead of demands for government protection of various sorts, government loans for working capital, and so on, they soon began clamoring for a piece of the defense program.

Late in 1940, the National Defense Advisory Commission assigned to Donald Nelson, an energetic member of its staff, the job of securing a place for small business in subcontracts (BW—Nov. 2'40,p.7). But the Army, Navy, and many prime contractors were cold to the

idea. And formal, studied attempts to "spread the work" never actually have been an important factor. Effective utilization of the tremendous aggregate capacity of small concerns has been forced by the terrifically stepped up pressure of the past two years.

• **The Real Problem**—Setting up an efficient, functioning organization to channel war work into small plants has been, in retrospect, a greater problem than the problem it sought to combat.

After Nelson took the first whack at the job, several little and big business men tried and quit. They exerted some influence in breaking down resistance to widespread subcontracting of war work, but once the dam broke, the flow could not be confined to a channel through their organization, and the organization has, consciously or unconsciously, spent considerable energy in seeking to establish a system by which it would get credit for the job done and keep beholden to it those with whom it was instrumental in placing contracts. It has been caught in a backwash in which, inevitably, it has to deal to a considerable degree with concerns which have missed out on war business for a wide variety of reasons, and which, to get into the swim now, not only have to get orders but, if and when they get them, have to cope with problems common to the entire war production program: manpower and material shortages.

• **Mehornay's Downfall**—Robert L. Mehornay, a furniture dealer ("little down on a big bill") of North Kansas City, Mo., was the first full-time man delegated to push war work into small plants. Mehornay brought considerable "college spirit" to the job but was hung up for months by politics and red tape in trying to set up an adequate organization. In September, 1941, he retired to his furniture business, claiming among other things that Sidney Hillman, OPM's codirector general with William S. Knudsen, had cut him down because of his refusal to put labor representatives in his Washington and field offices.

Oomph and a big name then were employed in the little man's cause. Backed by a Roosevelt executive order that Army and Navy cooperate with him and by a generous budget, Floyd B. Odium, Wall Street investment trustster and lawyer, was installed as head of OPM's Division of Contract Distribution. Odium put three exhibit trains on the road and tried other high pressure means of spreading war work.

• **Plan Goes Sour**—Soon he was pushing a scheme to keep small concerns alive by doling out enough materials to keep them busy at whatever they might be doing, war or no war. Nelson vetoed it, and by November rumors were current that Odium would resign. They were premature; Odium quit in January, 1942.

By then, Nelson had been named head of the new War Production Board and small business launched a new offensive. By June, Congress enacted a law creating the Smaller War Plants Corp., heeled with \$150,000,000 and empowered to take prime contracts from the Army and Navy and break them down for placement among small concerns. SWPC also was authorized to make loans to small concerns, and the Army and Navy were required to award contracts to concerns certified by the corporation.

• **Put Together by Taft**—Real father of SWPC act was Sen. Robert A. Taft. When the original draft ran into emphatic objections from Nelson, Taft pulled the thing together with the help of some practical suggestions from the Giannini interests. In a sense, the law represents a new philosophy of business by setting aside a segment for preferential treatment, excusable as the protection of weak units.

First chairman of SWPC was Lou E. Holland, organizer of Kansas City 32-company pool—the Mid-Continental Defense Industries, Inc. Holland, a strong Chamber of Commerce man, spent most of his time cultivating the Army procurement people—and did nothing without their approbation. Following a lambasting by a joint session of the House and Senate small business



HONESTY PAYS

Unable to corral help for its lots in Tennessee, Texas, Florida, and Mississippi, the Parkrite Auto Park, Inc., is testing public honesty by letting patrons serve themselves. Parkers are asked to lock their cars, jot down license numbers on furnished envelopes, slip in a dime, and deposit them in a slot in locked offices (above). About seven out of ten persons do, the company reports.

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... mitees, he finally quit in February.
... ings Begin to Hum—It wasn't long
... Gen. Johnson (Johnson & John-
... surgical dressings) had been brought
... from the War Dept. that SWPC took
... the semblance of organized activity.
... son's approach was sound: to find
... where firms in distress were located,
... which were capable of doing some kind
... of war work, and then to put them on
... a balanced diet. To Johnson this meant
... decentralization and a real field staff,
... something that SWPC had never had.
... regional governing boards, more or
... less autonomous, were set up with field
... assistance to designate the firms to
... work for the business, allocated to each
... region by Washington headquarters.
... regional board idea was regarded
... by Johnson as a political ten-strike. If
... a congressman or somebody else kicked
... the case so-and-so didn't get a contract,
... he would be told to go to see his re-
... gional board.

... ard Turns Balky—Johnson's admin-
... istration was marred, nevertheless, by
... internal friction in Washington and by
... a low morale of regional boards.
... Johnson was present at a meeting of the
... regional boards in Washington last month say-
... ing it was almost an insurrection. They
... argued that instead of the sound and
... logical form of decentralized organi-
... zation which they had been promised,
... the boards were being used merely as
... a slow-dressing, that a system sup-
... posed to be under regional management
... had been, and that, without au-
... thority commensurate with their re-
... sponsibility, they would wash their
... hands of the whole business.
... Since then, the Michigan board
... (Region XI) has resigned in a body.
... The boards also claim that the alloca-
... tion of business among the 14 regions
... has been unfair.

Termination Goal

Both Patterson and C.E.D. new plans to assure war contractors prompt payment on completion of jobs.

... nce procurement officers gave up
... idea of working out a program for
... termination of government contracts
... without resort to Congress, they didn't
... have any time taking their troubles to
... Capitol. This week, Under Secre-
... of War Robert P. Patterson pre-
... sented the House and Senate Military
... Affairs committees with proposals for a
... bill specifically authorizing procure-
... ment agencies to negotiate settlements,
... to advance payments, and guarantee
... loans against settlements due con-
... tractors.

... Careful Course—Patterson's sug-
... gestion contains most of the basic points



TALKING TAXES

Secretary of Treasury Henry Morgenthau (left) and the Administration's new \$10,560,000,000 tax plan are certain to come out second best in their current bout with the House Ways & Means Committee. Tennessee's Jere Cooper (center) and Chairman Robert Doughton (right) are two committee Democrats who won't spare the blue pencil. Doughton feels that the

tax is more than the traffic can bear and winces at the \$484,000,000 proposed tobacco excises that would hit his North Carolina constituents. He has the support of Republican committee members, who see in the proposed postwar refunds and repeal of the Victory tax a fourth-term bid by President Roosevelt. Those two items would absolve 9,000,000 persons of all income tax liability and would substantially benefit another 40,000,000.

on which the various services reached substantial agreement when they were trying to thresh out a uniform termination clause for government contracts. It passes over controversial points, such as the question of dealing directly with subcontractors and the problem of devising a formula for determining settlements when negotiation fails.

This tactful choice of subject matter will enable the services to present a more or less united front against Comptroller General Lindsay C. Warren, who recently challenged the authority of the procurement agencies to handle settlements or make payments on terminated contracts (BW—Oct. 2 '43, p7).

● **General Authority**—Enactment of legislation covering Patterson's proposals wouldn't settle the termination problem completely. The services still would have to work out detailed policies. What they are asking from Congress is a general grant of authority over termination, but one that would not tie them down too closely on details—which is what they thought they already had before their brush with the Comptroller General.

At the same time Patterson appealed to Congress, the Committee for Economic Development came forward with its own privately sponsored plan. Procurement officers who have been beating

their heads against the problem since the start of the war thought C.E.D. had picked a pretty ambitious subject for its first research report, but several of them like the looks of the plan it recommends.

● **Four Major Points**—C.E.D.'s report plumps strongly for a termination program handled by the services rather than by the General Accounting Office, but it spells out the policy in greater detail than Patterson's proposal. In general, it recommends legislation covering four main points:

(1) Creation of a Contract Settlement Board, composed of representatives of the services, with a chairman appointed by the President. This board would lay down general policies and rules but would not itself handle actual settlements.

(2) Decentralization of administration, with authority to make settlements delegated to the contracting agencies, subject to the rules laid down by the board.

(3) Establishment of a procedure for resort to the courts in case the contractor wants to appeal the judgment of the procurement agency. This probably would require the creation of new courts to handle termination cases. Otherwise appeals would involve too much time.

(4) Mandatory loans to contractors and subcontractors to tide them over the interval when settlements are being negotiated. These loans would not replace the present system of government guaranteed loans against pending settlements but would supplement



PLANES FIRST

Automobiles always come out second best when planes demand their right of way on a road bordering Kellogg Field, Mich. Special traffic lights on Dickman Rd. flag down vehicles while

heavily laden bombers or transports cross only a few feet off the ground in landings or takeoffs. Operated from the field's control tower, the safety signals are similar to lights used on a military road bisecting Washington's old National Airport.

it by taking care of contractors who can't get "V" loans from the commercial banks for one reason or another.

• **Favorable Feeling** — Fundamentally, the C.E.D. program and Patterson's proposal are not far apart. Both will find a good deal of support in Congress. At the moment, most congressmen think contractors should get a payment of some sort as soon as they file their claims. The big trouble, however, is to figure out a policy that will get the money out rapidly without opening the way to padded claims.

Back to His Job

Returning service men offer no re-employment problem yet, but Selective Service is guarding against a scramble.

Three years ago, in the summer of 1940, the big problem that confronted the United States was to mobilize, equip, and train an army and navy of some 11,000,000 men. Now government officials are beginning to wrestle with the converse of that problem—demobilization and re-employment of men the armed forces no longer need.

• **No Academic Issue**—The job of feeding discharged soldiers back into the civilian economy won't reach its full size until we begin paring down the net strength of the Army and Navy. As things look, that won't be until the end of the European war at the earliest, possibly not until the final victory over Japan is clinched. But in the mean-

time, demobilization is by no means an academic issue. Disability discharges from the Army and Navy are now running about 7,000 a week. By the end of 1943, they probably will hit an annual rate of 800,000. For the year 1944, discharges will total around 1,000,000.

An increasing proportion of the men who leave the Army with a Certificate of Disability Discharge are suffering from combat injuries, but the majority of the CDD's never got a chance to see the enemy. Sickness, accidents, and physical or mental breakdown during training account for the most of the releases. About 20% are psychiatric cases, not unbalanced enough to require hospitalization but too unstable to suit the Army. A good many CDD's are healthier than the day they took the oath, even though they haven't toughened up as much as the doctors at the induction station thought they would.

• **Selective Service's Job**—Under the draft law, the responsibility for getting honorably discharged soldiers back into civilian work lies with the Selective Service System. To handle the steady stream of CDD's and to get its machinery ready for the big postwar demobilization, the Re-employment Division of Selective Service has set up an elaborate organization reaching down to the community level (BW—Jun.26'43,p98). This week, it summarized its progress and plans in Re-employment Bulletin No. 1, which went out to local boards.

Most of the work of the re-employment program will fall to volunteer committeemen, attached to the local boards but not members of them. The committeeman is supposed to act as the

discharged soldier's counselor and guide. He gives advice on the soldier's opportunities and rights, keeps in touch with the local office of the U. S. Employment Service and with the Veterans Administration, puts pressure on employers who are reluctant to take on a returning soldier.

• **Clearing House Committees**—backstop the committeemen. Selective Service is sponsoring a network of clearing house committees, which will handle re-employment of veterans as a community project. Clearing house committees will be composed of organizations like the Chamber of Commerce, the A.F.L. and the C.I.O., Kiwanis, Lions, and Rotary clubs. The idea is that the committees will use community pressure on employers to arrange for guidance and information services.

One of the most ticklish problems Selective Service will have to handle arises from the soldier's legal right to his old job. Under the law, any honorably discharged veteran, man or woman, inducted, enlisted, or commissioned after May 1, 1940, is entitled to his or her former job without a loss of pay ratings or seniority. This applies not only to the armed forces but also to the merchant marine.

• **Two Strings**—There are only two strings attached:

(1) The discharged soldier must be physically capable of doing the job.

(2) The employer must be in a position that does not make re-employment entirely impractical. At first glance this guarantee seems to leave plenty of loopholes, but in practice it is ironclad as far as it goes. In fact, Selective Service officials say that the more they study it the more they regard it as a classic example of airtight phrasing.

The question of when it is impractical to re-employ a man hasn't been settled yet, but the general tendency to interpret it in favor of the soldier. Selective Service has pretty well established the principle that hiring a replacement doesn't relieve the employer of his responsibility to the man who went into the Army. If the soldier comes back, he is entitled to the job even if it means firing the substitute. Recently an ex-private returned to Cleveland and asked for his old job as operator in a movie theater. When the manager objected on the grounds that he would have to discharge the substitute operator, the Selective Service employment committeeman intervened and the ex-soldier took over the job.

• **Recurring Nightmare**—It isn't so clear what happens when an employer has contracted his business instead of placing a drafted man—when, for instance, a butcher has reduced his staff from three clerks to two because of a meat shortage. Even more complicated is the still hypothetical but very

case of a manufacturer who closes a war plant entirely when his production orders stop. One re-employment official says that he has a recurring nightmare in which the Ford Co. closes down Willow Run at the end of the war and all the men drafted in Willow Run go over to the River Rouge plant to demand jobs. Only men with service-connected injuries are eligible for rehabilitation training under the Veterans' Adminis-

tration program, but the definition of service-connected cases is broad, covering sickness and accidents as well as battle wounds.

• **USES to the Rescue**—When a man has no claim on a particular job, either because of an infirmity or because of the employer's circumstances, Selective Service counts on the U. S. Employment Service to find a place for him. Attached to each office of the USES is a representative of the veterans' em-

ployment service. His job is to look out for ex-soldiers, see that they get preference wherever they have a right to it, give advice, and keep the re-employment committeemen posted on the employment outlook for veterans.

So far, Selective Service has had no trouble finding jobs for returning soldiers. With the labor market in its present shape, finding jobs for draft-exempt men is like giving away ten-dollar bills, as one official put it. A

1945 TO MARK TURN IN FOOD PROGRAM

Emphasis on all-out food production is nearing an end. The War Food Administration, in taking its agricultural goals to state farm meetings, is talking a "high level of meat production for 1944 and a somewhat lower level in 1945"—which would appear to mean that WFA and the Dept. of Agriculture are preparing for readjustments to avert the back-breaking surpluses that marked the years after the last war.

First major cutback is in the 1944 pig production program; less substantial but equally significant is the statement that "the number of dairy calves and heifers is at an unusually high level, and anticipated dairy cow requirements for 1945 can be met with fewer dairy calves saved in 1944 and heavier slaughter of heifers."

Thus the prospect is for heavier slaughter of feed-consuming livestock in 1944 at the expense of total herds. The chicken-turkey program also is being curtailed. It looks like a larger over-all supply of meat next year—and smaller livestock feed requirements. Yet the cutback will be gradual, permitting enlarged 1944 milk and egg output. And most of the crop goals—notably wheat, oil seeds, and vegetables—have been pushed up for 1944. Here's a summary:

For the Civilian

Computing total supplies of various scarce foods, the amounts needed by the armed services, lend-lease, and foreign relief, and allowing the rest for civilians in this country, the War Food Administration comes out with these figures on domestic allocations for the year from July 1, 1943, to June 30, 1944:

	1943-44		Civilian Use	
	Over-all Supply	Civilian Share	1942	1935-39 Average
Beef (mil. lb.)	8,977	5,938	7,903	7,099
Veal (mil. lb.)	1,126	909	1,006	1,037
Lamb, mutton (mil. lb.)	834	540	919	868
Pork (mil. lb.)	12,346	7,311	7,740	7,286
Butter (mil. lb.)	2,128	1,670	2,051	2,170
Eggs (mil. doz.)	3,902	3,567	3,490	3,225
Potatoes (mil. lb.)	20,447	16,651	15,966	16,919
Dry beans (thous. cwt.)	22,200	11,300	10,742	11,552
Dry peas (thous. cwt.)	4,150	1,624	1,336
Edible fats, oils (mil. lb.)	6,053	3,957	4,345	4,071
Canned fruits (thous. cases, 24/2½'s)	61,136	32,609	31,323	50,808
Canned vegetables (thous. cases, 24/2½'s)	262,538	180,186	226,200	173,000
Dehydrated vegetables (mil. lb. dhy. wt.)	244	8
Frozen vegetables (mil. lb.)	255	180	145	78
Dehydrated soups (mil. lb. dhy. wt.)	120	50	50

Meat Trends Change

Sharply divergent trends appear in the War Food Administration's goals for livestock and livestock products. Desired production of milk and eggs would be up for 1944, but total number of feed-consuming animals should begin to decline either this year or certainly in 1945. Thus cattle slaughter for 1944 is put at 33,700,000 head of cattle and calves against 28,300,000 for 1943 and 23,800,000 in 1939; total number of chickens to be

raised would be lower in 1944; a substantial cut in hog raising is advocated. Suggested 1944 production:

	1944 Goal	1943 Actual	1942 Actual	1937-41 Average
Milk (million lb.)	122,000	118,300	119,240	107,900
Eggs (million doz.)	4,546	4,516	4,018	3,252
Chickens (million fowl)	1,100	1,175	795	656
Turkeys (million fowl)	32	33	33	31
Hogs (million head)	105	123	100	75

Goals for Major Crops

More wheat, more feed for livestock (but less of the feeds which provide relatively low per-acre yields), more oil seeds, and more tobacco are points of emphasis in 1944 crop goals:

	Planted Acreages ('000 omitted)			
	1944 Goal	1943 Actual	1942 Actual	1937-41 Average
Wheat	68,000	54,159	52,500	52,533
Cotton	22,000	21,995	25,500	23,302
Corn	100,000	96,818	100,000	91,011
Oats	39,000	42,654	37,300	42,662
Barley	17,500	17,893	18,000	19,488
Grain sorghums	16,400	17,220	10,000	15,899
Rye	2,800	2,875	3,600	3,837
Soybeans (harvested as beans)	14,000	11,480	10,500	10,762
Flaxseed	6,200	6,289	5,000	4,691
Peanuts (threashed)	5,500	4,191	3,425
Rice	1,535	1,538	1,380	1,505
Potatoes, Irish	3,500	3,444	3,160	2,793
Potatoes, sweet	1,000	923	757	708
Sugar beets	900	636	1,050	1,045
Tobacco	1,618	1,417	1,534	1,379

* No comparable figure.

Increases for Vegetables

Pleased and surprised with the success of the Victory garden program this year, the War Food Administration wants 22,000,000 of them in 1944 against perhaps 20,000,000 this year. Yet the real job of producing vegetables falls on the truck farmers who produce for the commercial market and for processing. Here's how their acreage goals stack up:

	1944 Goal	1943 Actual	1942 Actual	1937-41 Average
Commercial truck	1,684,000	1,524,000	1,659,000	1,732,000
For processing	2,225,000	2,106,000	1,968,000	1,427,000
For drying:				
Beans	3,300,000	2,807,000	2,135,000	1,977,000
Peas	875,000	741,000	501,000	280,000

Combined acreage goals for commercial truck to be sold fresh and for vegetables to be processed are:

	1944 Goal	1943 Actual	1942 Actual	1937-41 Average
Beans, snap	398,000	338,050	285,060	235,267
Beans, lima	110,000	90,800	88,360	73,721
Cabbage	210,000	178,340	184,820	175,383
Carrots	82,000	77,230	60,800	52,360
Corn, sweet	625,000	602,350	536,610	407,590
Onions	135,000	109,940	135,120	124,070
Peas, green	608,000	549,330	505,300	419,410
Spinach	135,000	108,520	116,520	90,451
Tomatoes	865,800	835,800	813,680	623,147
Asparagus	122,350	130,980	133,160	123,270
Lettuce	132,740	132,740	156,490	153,090
Melons	210,450	210,450	305,320	388,430



MILITARY MODELS

Figuring out the average size of men in the Army Air Forces has a practical side—to design planes and equipment to allow minimum space for efficient operation. And so that tail gunners or pilots may have elbow room to work, General Plastics Corp., Chicago, is turning out plastic manikins modeled to average dimensions of men that fly. On the left of G. W. Borkland (above), company head, is a Type A manikin, 5 ft. 9 in. high, representing the average-sized Air Force man. The other, 6 ft. 1½ in., represents maximum-sized airmen, and a

third (not shown) is 5 ft. 5½ in. tall, average height of tail gunners. Made of cellulose acetate to precision specifications, the first three models took seven months to produce, and subsequent sets two weeks each with 50 sets the ultimate goal. Current models are going to manufacturers for gaging cockpit clearances, turret space, and headroom, etc., and to Wright Field researchers engaged in practical anthropology to perfect equipment. After the war, Borkland expects orders for his models from automobile makers seeking ideal dimensions for headroom, foot space, door heights, and other data.

large majority of the discharged men need no help; only 20% or so have asked re-employment committeemen for help.

• **Want Their Old Jobs**—At a rough guess, about 60% of the returning service men want their old jobs back. Usually their employer greets them as though they were his own children, and there is no question about re-employment rights.

This blissful situation won't last. If there is any sort of a slump after the war, many employers won't be able to take back their old workers, no matter how much they want to. Workers who have held jobs during the war will resent it bitterly when soldiers come back and want to take over. Labor unions will object violently if seniority and employment rights of their members are not respected.

• **How Many Jobs?**—Community sentiment will be strongly behind the soldiers, however, and the men returning

from the armed forces will be numerous enough to swing political weight. If their interests clash with those of the civilian worker, the chances are that the ex-soldiers will come out on top. Even men who were hired to replace soldiers and were then drafted themselves are likely to get preference over civilians, although they have no legal re-employment rights.

While Selective Service foresees the danger of this clash, there isn't much it can do. In the end, the answer to the re-employment problem will depend largely on two things: (1) How many jobs the postwar economy offers; (2) How closely demobilization of the armed forces is adjusted to reconversion of the economy to peacetime production. If there are enough jobs to go around after the war, and if demobilization is an orderly process instead of a piece of reckless dumping, ex-soldiers will move back into the civilian economy without much disturbance.

Power Standoff

Ickes' Shasta contract with Pacific Gas & Electric was no victory for either; main issue is still to be settled.

Approval by Interior Secretary Harold L. Ickes of the contract negotiated by the Bureau of Reclamation with the Pacific Gas & Electric Co., San Francisco, for sale to the private utility of 150,000 kw. of power to be generated at the bureau's Shasta Dam in north central California concludes only one episode in what promises to be a long-drawn-out battle (BW—Jul. 31 '43, p. 38). The issue between Ickes and P.G.&E. is whether the government or the private utility shall distribute the energy from Shasta Dam, part of the Central Valley water project.

• **Hard Bargain**—Actually, the contract wasn't a victory for either side. While Ickes was reluctant to make a deal with P.G.&E., he managed to drive a hard bargain. Under its terms, Reclamation delivers the power at its Shasta substation to P.G.&E. From there, it will be carried to Oroville (about halfway to the industrial consumers around San Francisco Bay) over a new 230,000-volt high line to be completed by the Reclamation Bureau in six months.

The private utility will pay \$75,000 a year rent for use of the line and will stand all maintenance costs. At Oroville, power will be fed into existing P.G.&E. transmission lines to be carried to the San Francisco area. The first power from Shasta's two 75,000-kw. generators will be available next March. The contract calls for minimum payment by P.G.&E. of \$2,775,000.

• **Ickes' Loophole**—Ever hopeful that some California communities will buy local P.G.&E. facilities and set up municipally owned systems, Ickes inserted a clause providing that the government may withdraw power committed to the private company at any time for sale to other customers; public power agencies and cooperatives are on the preferred list. The agreement runs until the end of 1947, or until two years after the war, whichever is later, but in no event beyond Dec. 31, 1949. Contrary to the general impression, the clause providing that P.G.&E. substitute Shasta power for oil-fired steam power won't save much oil. The company's steam plants use natural gas for fuel, although each plant maintains a supply of oil for use in case of a natural gas shortage.

• **Drought Insurance**—The important incidental effect of the deal is that Shasta's hydroelectric power is bolstered by P.G.&E. steam generating facilities in dry periods.

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ONE of these men will go to work for you for \$2,000 a year. The other will take the same job at \$2,010—ten dollars more.

These men are pretty much alike. But there is one *big* difference between them. The honesty of the man who costs you \$10 more a year is *guaranteed*.

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Harried management, in these days of manpower turnover, is looking to companies like The Maryland for dishonesty insurance.

The Maryland assumes the responsibility for investigating the records of new employees—guarantees their honesty with respect to your money or your materials. And the employees who are fidelity bonded enjoy a mark of approval of which they may well be proud.

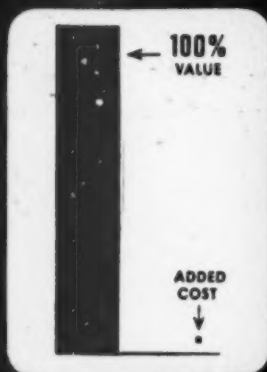
The Maryland issues fidelity bonds in many forms. Ask your agent or broker. Maryland Casualty Company, Baltimore.

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Steel Pot Boils

Texas wants its integrated mill at Daingerfield, not just a blast furnace; eastern interests oppose decentralization.

Even as the Lone Star Steel Co. of Dallas was lighting the 78 coke ovens at its new \$25,000,000 project at Daingerfield, Tex., arguments against decentralization of the steel industry were coming to a boil in the East. Steel men in Pennsylvania and Ohio and Illinois were arguing that it is uneconomic to locate steel plants far from consuming industries; at least some factions among mineralogists contend that Texas iron ores are too lean; and opponents in Washington maintain that expansion in the Southwest can't be completed in time to help much in winning the war, even when the major effort is turned against Japan.

• **Congressmen Active**—Texans profess to see little in these arguments. They point out that Lone Star Steel filed an application in Washington for establishment of a fully integrated steel plant at Daingerfield two months before Pearl Harbor. Finally, in the summer of 1942, a limited approval—for blast furnace and coke ovens—came along. There has never been a go-ahead on steel-making facilities, and the potent Texas crowd in Congress is getting resentful.

Sen. Tom Connally and Speaker Sam Rayburn, for example, have been stirring things up in Washington. Rep. Wright Patman, home to help light the coke ovens at Daingerfield, indicated that his small business committee of the House and the Truman committee in the Senate would have a look at things. Patman promises that the steel mill at Daingerfield will be built "even if we have to go to the President."

• **Self-Interest Charges**—Through all the wrangling runs the argument that eastern steel interests are blocking the project, that the War Production Board's facilities review committee has spiked the project even though Chairman Donald Nelson indicated his approval. And the East is just as quick to charge pork-barreling.

Lone Star Steel Co. officials maintain an air of confidence. Reasons for their optimism haven't been explained, but it is pointed out by close observers of the Texas political scene that approval by WPB may prove expedient. There are a good many dissident Democrats in Texas.

• **"Facts of the Case"**—John W. Carpenter, president of Lone Star Steel, pins his hopes on what he calls the cold facts of the case. He cites the dwindling supplies of high-grade Lake Superior ore on which the northern mills rely, and declares that the building of the Daingerfield blast furnace, by itself, will help to release valuable transportation facilities. These transport savings, he argues, would be multiplied by construction of



Texans this week lighted coke ovens of their Lone Star Steel Co.'s blast furnaces at Daingerfield, then turned the heat on WPB and native sons at Washington to authorize construction of a \$35,000,000 mill to make the project fully integrated. Sensitive to political storms, Rep. Wright Patman

and Speaker of the House Sam Rayburn rushed home to blame northern interests for holding up Texas' two-year-old application. Rayburn (above) threatened, "If we can't get it approved any other way, we'll grab 'em by the throat and throw 'em down like bulldogging a Texas steer."



SAVING TIME FOR BUSINESS MEN

Don't waste time and money trying to be an expert on insurance. Equally important, don't be casual about it. Let an organization of competent brokers, who know what can be done and *how to do it*, draw contracts that really protect you, and act for you in collecting your claims.

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an integrated mill, but if the mill is not built, it may still be necessary to ship the blast furnace's iron pigs to distant mills and then bring fabricated steel products back to the factories of the Southwest.

Advocates of Texas steel have little patience with the argument that the state hasn't the ores to justify further development. They recall U. S. Geological Survey No. 902, published in 1938, which gives eastern Texas reserves of 139,119,000 long tons of brown iron ores with an additional 37,389,000 tons available but probably too thin. No material that would yield washed ore containing less than an average of 42% metallic iron was considered in these estimates.

• **Another Survey**—The work of Dr. George Anderson of California Institute of Technology, hired by Lone Star Steel to survey the ore supply, also is cited. Anderson, who spent a year on the job, said test pits already had revealed 9,000,000 tons of 55% ore, and he held an additional 75,000,000 to 100,000,000 tons were available.

Tolls under Fire

FCC studying income and cost figures of Press Wireless with a view to cutting rates of McCormick-sponsored service.

Col. Robert McCormick's Press Wireless is on the spot because it is making too much money to please the Federal Communications Commission. Next week the enterprise fostered by the publisher of the Chicago Tribune will try to show to FCC's satisfaction why

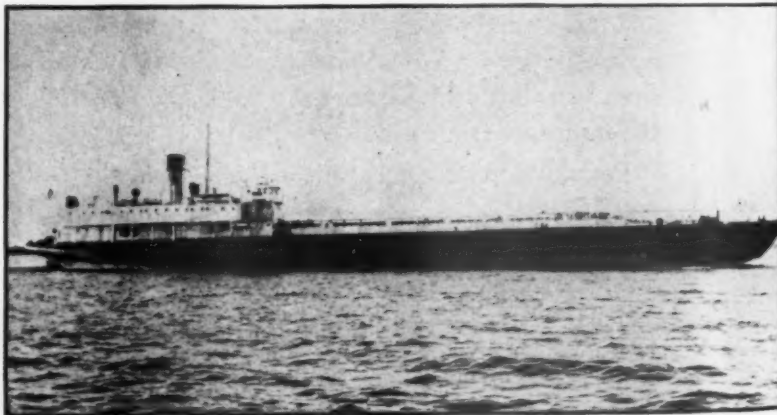
the commission shouldn't cut its rates and why an interim reduction should not be ordered pending conclusion of the investigation.

• **Ready to Order Cut**—FCC had been on the point of ordering a reduction from 8½¢ to 6¢ a word over the Press Wireless China circuit when it was convinced by a new P.W. income table prepared to justify its action, that a lower rate would be inadequate. The commission estimates P.W.'s ratio of operating income to net book cost in 1943 at 121.8% before taxes. It does not overlook the fact that the government contributed to this prosperous condition as P.W., in recent years, has carried government as well as passenger traffic.

In operation only since 1929, when the Chicago Tribune interested several other newspaper publishers in a carrier designed exclusively for press traffic, Press Wireless has shown steady healthy growth. Not needing the elaborate plant required by a public carrier, Press Wireless did well on a modest investment, even with expanded war traffic which includes lengthy messages from the military, lend-lease, and the diplomatic corps.

• **How It Has Grown**—P.W. net book cost of operated plant does not go much over half a million dollars. Relationship between book cost and income has remained proportionate since 1938 when book cost amounted to \$442,883 and operating income before taxes was \$53,818, a ratio of 5.8%. These figures have grown to a rough but probable \$575,000 book cost and income before taxes of \$650,000 in 1943 if FCC's estimate of a 121.8% ratio was reached.

The Press Wireless circuit to Chungking, opened as a substitute for Shanghai in December, 1941, is operated



WAR JOB FOR A VETERAN

Last of the old Great Lakes whale-back grain boats, the 47-year-old "South Park" has taken a new hold on life by completing its first voyage as a lake tanker. Converted within

four months, and rechristened "S. S. Meteor," the old craft is the fifth member of a fleet owned by a subsidiary of Allied Oil Co., Inc., Cleveland. With space for 40,000 bbl. of oil, the Meteor can load and carry two different grades of cargo simultaneously.

Our boys are only 2 days from home!

1 One of the things your War Bonds do is fly a wounded soldier home in two days, if necessary, from almost any part of the world! Our care of the wounded is the most heartening war story so far. At Pearl Harbor, a hospital ship saved all but 7 of 4039 wounded men. No wonder Taylor is proud and happy about its part in this record!



2 Medical care starts as soon as a soldier is wounded. Every soldier carries his own first aid kit, sulfadiazene tablets, and sulfa powder to dust on wounds. But before he has a chance to use them, a hospital corpsman has probably reached him, administering a pain-killing drug and leaving a message and a signal for the litter bearers.



3 The soldier is then carried to a battalion aid station, a miniature hospital on wheels, where he receives treatment that keeps him comfortable until he is moved to a collection station still farther back. Next he goes to a field hospital, and from there he may be flown by ambulance plane to a base hospital or to a general hospital at home!



4 Right up to the front lines, Taylor medical instruments are in constant use. Taylor fever thermometers for almost every illness or injury. Taylor blood pressure instruments for use in operations. Taylor barometers for basal metabolism tests. So if your store is out of Taylor Instruments, we suggest you buy an extra War Bond instead!



5 Our Army-Navy "E" was awarded for production of instruments for almost every branch of the armed forces. In addition we supply industry with the Taylor controls needed to make gasoline, synthetic rubber, and other vital materials. Ask your Taylor Field Engineer. Taylor Instrument Companies, Rochester, N. Y., and Toronto, Canada.



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Right now, our prime job is to build up the stock-piles for our fighting men... of both Nylon and natural fiber ropes. Every foot is needed! To do this, rope users of all industries must *conserve, splice, re-use and save rope*, wherever possible. Even though *you* may never handle a piece of rope, you can help spread the importance of conservation. Write to us for your copy of the War Advertising Council's booklet, "The Rope You Save Fights for You." Plymouth Cordage Company, North Plymouth, Massachusetts, and Welland, Ontario.

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jointly with the Chinese Ministry of Communications. The 8¢-a-word rate is divided equally between that agency and P.W. Formerly a P.W. subsidiary in Manila served as a relay for messages to and from China and the United States, and the same toll charged prevailed. The Chinese got 2¢, the subsidiary got 3¢, and P.W. the remaining 3¢.

• **Direct Circuit Set Up**—After the Japanese moved into the Philippines a direct circuit was effected, but this requires longer operating periods to establish proper contacts, and greater consumption of power. P.W. says that the additional expense in part justifies continuation of the present rate. The FCC states, however, that the Chinese Ministry of Communications, which would lose just as much by a cut, has asked for a through rate of 6¢ a word. This would give each side 3¢. (Other P.W. rates are: New York to England 3¢, and to Russia 4¢.)

P.W.'s West Coast station had authority to traffic with Chile, India, Burma, Dutch East Indies, Singapore and Australia; it was constructed in a manner adequate to serve many points in the Orient and Pacific. With the outbreak of war between the United States and the Axis, P.W. lost its circuits to Batavia, Singapore, Tokyo, and Manila. Traffic from Los Angeles to Honolulu, Santiago, Bombay, Rangoon and Australia is apparently negligible. This throws the bulk of traffic to the circuit between Chungking and the United States, with occasional communication to and from Khabarovsk, the Soviet (when atmospheric blot of the New York-Moscow circuit). May peacetime operations were with Tokyo and Manila, but the volume of message traffic with China now is considerably larger than with these points before the war.

• **General Probe Urged**—Press Wireless argues that since this is the first time a general investigation has been undertaken into the entire rate structure of communications carrier by radio, the FCC should inquire into the rates of American carriers in international traffic, whether they are cable or radio. Further, says P.W., any suggestion of a rate cut should be considered in relation to the (higher) rates of the other (but not necessarily competing) radio carriers. The company also says that there may be several unprofitable years after the war.

The commission's attorneys will contend that Press Wireless gets about 90% of all press traffic, that comparison with other carriers consequently does not count. As for the postwar years, FCC lawyers will point out that the filing of new tariffs is a common occurrence, so if lower rates are unkind in peacetime there is little doubt that P.W. will seek to file higher ones.

Sausage Is Moving

Manufacturers find it hard to keep up with the demand for low-point-value meat; some independents forced to close.

Sausage makers like to think that Americans are eating a lot more of their product because of its taste appeal. Stone commentators incline to the somewhat less optimistic belief that low-point values and money economy inherent in the product are responsible. Also, the sales effort that makers are expending on this profitable commodity may be a factor.

Popularity Widening—Regarded by earlier generation as foreign food, sausage still has its greatest per capita consumption in neighborhoods where immigrants have implanted the taste. But even rock-ribbed Anglo-American areas are in recent years eating a good deal of sausage.

Central populations eat bologna, smoked ham, loaf goods, frankfurters, pork sausage. Dry sausage, such as salami and salami, has made relatively good progress in strictly native circles. Certain types of sausage which have been developed locally, as, for example, Cannon (Pa.) bologna and Trenton (N.J.) pork roll, have big sales in small markets.

Production Up 74%—Whatever the reason, sausage consumption is climbing. Total increase of U. S. meat production since 1940 is 24%, but increase in sausage output is running three times as fast. Consider, for example, the annual increases shown in the four-year production record of the four principal sources of federally inspected sausage as

expressed in millions of pounds by the Bureau of Animal Industry:

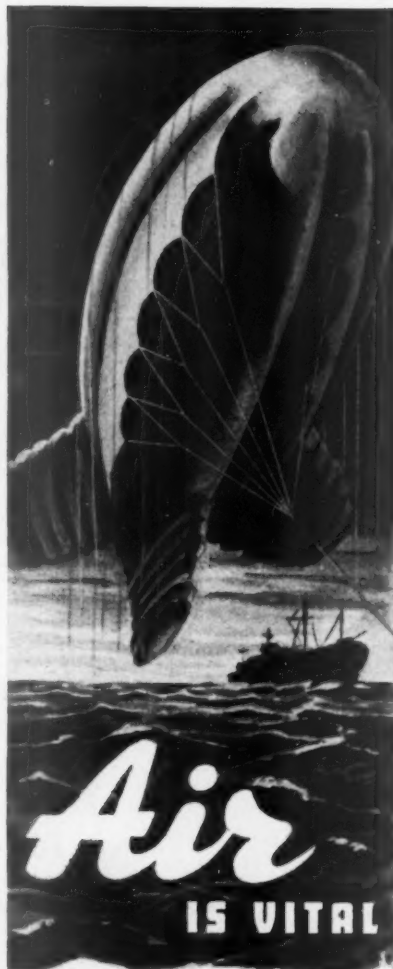
	1940	1941	1942*	1943
Fresh finished	137	148	200	361
Smoked & cooked..	599	642	811	954
Loaf, etc.	121	142	182	244
Dry	121	124	119	144
Total	978	1056	1312	1703

* Estimated.

• **Made from Trimmings**—Basic material for sausage making is the edible trimmings which accrue in the course of preparing meats for sale through distributive channels. Packers traditionally use in their own sausage departments that portion of their trimmings required by their retail sausage trade. Any surplus trimmings above their own needs are sold to sausage manufacturers who do no slaughtering and in general confine their sales to the local market; some of the independents are close to the top in volume and prestige in their home cities. Legend in the industry is that 40% of domestic sausage was made outside federal inspection before the war, 30% now.

Consumers' present insatiable demand for sausage has thrown the equation out of balance. The slaughtering packer can sell so much sausage that his own plant is likely to use every pound of his trimmings. Demand also forces the slaughterer to grind up for sausage meat a substantial tonnage of ham butts, shoulders, loins, and other cuts which normally he would sell in the piece.

• **Small Choice**—This situation creates, in turn, a dilemma for the nonslaughtering sausage maker. Cut off from the accustomed source of inexpensive raw material on which his business depends, he can either buy costly meat to grind or close his plant. Many have abandoned their civilian sausage business and are now 100% on war food production. A



IN THE DAYS that follow the war, Compressed Air will be used more than ever before as a labor- and time-saver in industry. Wayne's Auxiliary Unit Plan makes air power more flexible and less costly. It will be helpful in your Post-war production planning. Write for details. Wayne Compressors are still available under Government regulations. They're backed by Nation-wide Service.

THE WAYNE PUMP COMPANY
FORT WAYNE 4, INDIANA



General News • 29



INGS ON TIRES

Now getting a few synthetic tires, S. motorists are finding that something has been added to the maker's name, serial number, and size on the sidewall. Against the bead, there's a small insert denoting the tire's man-



made rubber content. Code marks S6 (left) and S3 (right) mark the tires 100% and 70% Buna S, respectively. Thus vulcanizers and reclaimers can identify synthetics and motorists know how to treat their new "shoes" which will not take summer's high running temperatures or cold patch repairs.



*If you lived in
Portland...*
YOU'D READ THE JOURNAL!

YOUR advertising message gets better reception because of The Journal's new easier-to-read makeup, and you get more readers where you want them—in Portland's Trading Zone. Here industrial payrolls alone top 48 million dollars a month.

Here is a market of 717,588 people—33% more than in all the rest of Oregon. And in this rich populous area The Journal delivers 80% of its daily circulation and reaches 22% more families (21,993) than any other newspaper. Portland's favorite newspaper keeps pace with the growing Portland market. The Journal's total net paid daily circulation for the six months ending Mar. 31, 1943 was 151,888—the three months average was over 156,000—the largest circulation in its history!



● Dad reads Clapper and Pegler, sis and mom like Dorothy Dix, the boy friend never misses Winchell and kid brother goes for Pop Eye, Dan Dunn, Orphan Annie—in fact all twenty of The Journal's famous funnies!

In New York this family would have to buy 5 daily papers (in Chicago 4) to read the famous columnists and comics published in Portland in The Journal alone.

That's one reason why The Journal is today, as it has been for years, the *preferred* newspaper in the Portland area.

Here's another: At mid-afternoon press-time in Portland, it's after six in New York and midnight or later in much of the rest of the world. The Journal makes the most of this natural time advantage enjoyed *only* by afternoon newspaper on the Pacific Coast. It publishes world news as well as local news the same day it happens... publishes BOTH news and features in *popular balance*!

The JOURNAL

PORTLAND, OREGON

Portland's Only Afternoon Newspaper

Represented by REYNOLDS-FITZGERALD... New York, Chicago, Philadelphia, Detroit, Los Angeles, San Francisco

few simply turned the key in the door and quit for the duration. materials are a little easier now than a few months back, hence small operator's anguish is less acute.

Lean cuts in use today tend to prove sausage quality for the consumer. Exerting a strong tug in the opposite direction, however, is the packer's desire to get more sausage out of less meat, which he can do by using a binder to absorb water and thus to weight the easy way.

● **Binders Used**—Most top-quality products use a little binder. Federal regulations restrict the proportions, but in federally inspected packers are less inhibited. Favorite binder of the old German sausage makers who founded the U. S. industry was potato starch. Dried skim milk took over a large portion of the quality market before war, but now is practically unavailable.

Most recent entrant in the market is durum wheat flour, a byproduct of fines produced in making semolina for the macaroni industry. One of the dozen major suppliers is selling it at the rate of 9,000,000 lb. a year.

● **Soy Flour Banned**—A binder which most packers believe would improve sausage instead of diluting it is soy flour. Bureau of Animal Industry forbids its use in federally inspected sausage, because its protein is so much like animal protein that it is almost possible to detect in the chemical laboratory.

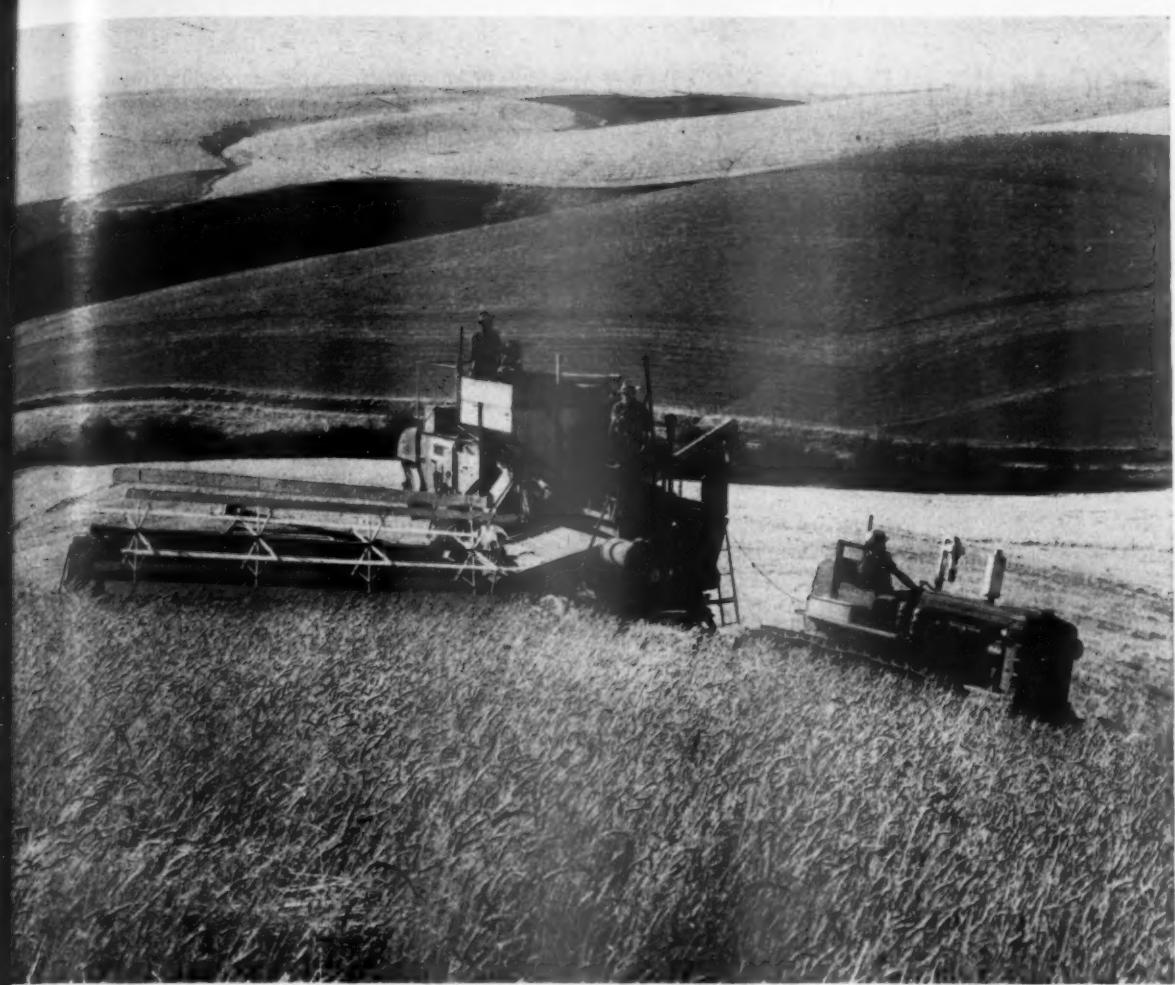
INTERCHANGE OPTIONAL

In deciding against Seatrain Line Inc., last week, the U. S. District Court at Newark, N. J., marked another round in the ocean-going car carrier's ten-year fight with certain railroads. The court ruled that the Interstate Commerce Commission lacked authority over train operations beyond U. S. territorial waters and supported the contention of 15 railroads that Seatrain's payment for the use of their cars are so low as to be confiscatory.

Seatrain boats carry as high as 100 freight cars each between New Orleans and New York via Havana. After several reverses, Seatrain obtained from the ICC an order requiring railroad interchange cars and post through for its terminals (BW—Feb. 23 '35).

The court now says that the ICC has no power to compel the roads to interchange cars with Seatrain for voyages beyond territorial waters. Since ships are forced to overstep these limits on their voyages, the court holds that only Congress can give Seatrain the right to use Missouri Pacific and Texas & Pacific hold large blocks of Seatrain stock. Eastern railways have complained that the hookup gives the two western lines a direct route into New York.

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Again the embattled farmer stands



Day shift, swing shift rolled into one—often 16 hours of work on work-days, and always some on Sundays—battling insect pests, floods, drought, frosts—once more the "embattled farmer" stands firm, knowing that his shoulders rests the burden of feeding our armies, our allies and us, here at home.

To this farmer, 1943 has been a year filled with abnormal paradoxes and perplexities. He has been asked to raise more with less—more crops with less help and fewer new implements. It has been a tough battle, and he is winning it—with the help of machines.

For machines have made it possible for him to stretch every moment of

plowing, seeding, cultivating, harvesting. They have fortified his inner strength and spirit—have replaced many of the men who have been called from the food front to take up arms on the fighting front.

On these farm machines you will find Baldwin roller chain belts transmitting power and timing the many intricate operations so necessary to planting and gathering the crop.

Roller chain belts made by Baldwin-Duckworth are, however, but a part of a long line of Chain Belt Company products assigned to vital tasks in the present emergency. Included are many other types of chain belts having thousands of uses in industry; construction machinery for mixing,

moving and placing concrete and for moving water; conveyors for practically every type of material handling, and many specialized engineering products.

★

Baldwin-Duckworth Roller Chain Belt Division, Springfield 2 and Worcester 3, Mass.; Rex Construction Machinery Division, Rex Chain Belt Transmission Division, Rex Conveying and Engineering Products Division, Milwaukee 4, Wis.

CHAIN BELT CO.
OF MILWAUKEE

900 Million Points

Cincinnati firm has OPA order for that many ration tokens to be put in circulation by next January or February.

A hard, vulcanized fiber in three layers will be used for the manufacture of 900,000,000 ration tokens by a Cincinnati firm, to which the \$1,000,000 contract (estimated) has been awarded by OPA. The tokens—in two styles: red for meats, fats, fish, cheeses, etc., and blue for processed foods (BW—Sep. 25'43,p47)—will be placed in circulation late in January or early in February.

The Osborne Register Co., owned by

Dayton Acme Co. (also of Cincinnati), is to be the manufacturer. A comparatively small plant located in Cincinnati's West End, Osborne is familiar with token manufacture. During the past six years, it has turned out a billion sales tax tokens for about ten states. These were metal, however.

Osborne's present staff of 100 employees will be increased to about 250 for the token contract, which must be filled within 90 days after operations start. A battery of presses, capable of stamping out five tokens at a time, is ready. Last-minute changes in dies have been approved.

• **Specifications Rigid**—There were few options in the specifications. The tokens had to be uniform in color, nonfading, iridescent in appearance, chemically inert, nontoxic, nonpoisonous, unbreak-

able, unbending, incombustible, and resistant to water and perspiration.

The middle layer of the three on token is to be yellow. The fiber has been contracted for with National Canized Fiber, Spalding Fiber, and Continental Diamond, and will come in about three feet in diameter. The bon, as the unreel fiber is referred in the trade, will be 4 in. wide 0.050 in. thick.

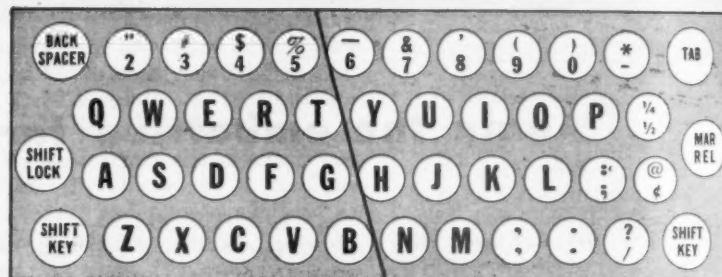
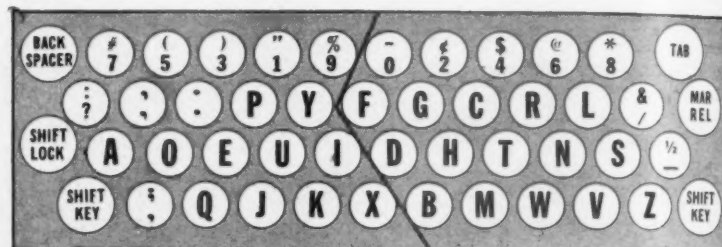
• **Guard against Theft**—Elaborate cautions will be taken to prevent loss of the tokens because OPA's token system would be hamstrung if new designs were made. Each machine will have a calculator, but the reels will be weighed before being fed the stampers. Then the tokens and scrap will be weighed before the tokens themselves are sealed in boxes.

That Dvorak Keyboard

One typical headline on a news story which broke last week in metropolitan papers all over the country read, "Navy Shuffles Typewriter Keys, Turns Out 180 Words a Minute;" another read, "Naval Officer Develops Speedy Typewriter Keyboard." According to one version of the yarn put on the wires by the Associated Press, "A Navy Department typist looked nonchalant and a little bored today as she zipped along at 180 words a minute. The world's speed record is 149."

Practically all accounts went on to say substantially that the typist was using one of the Navy's "new" typewriters with keyboard designed by Lieutenant Commander August Dvorak, formerly of the University of Washington and now the department's top expert on time and motion study, that the new arrangement (top) divides labor 44% for the left hand and 56% for the right, as compared with the standard keyboard (bottom) which makes the left hand do about 57% of the work while the usually more competent right loafs along with a bare 43%.

This week, when countless newspaper readers with unbelievably tenacious memories were quick to point out that the Dvorak keyboard was developed and described back in 1933, the Navy press division quickly disclaimed any responsibility for release of the information and referred inquirers to the lieutenant commander. The facts the Navy would release were these: that only 15 girls were trained in the revised letter arrangement, that 32 typewriters equipped therewith have been put in storage because typists shied at learning



something they cannot use on standard machines after the war.

Speed was not 180 words a minute, but 108. (The misleading 180 was once achieved by a Miss Lenore Fenton who at one time and another held eleven international typing records.) The Navy does not back water on the fact that a speed of 108 words a minute is 35% faster than any achieved on standard keyboards by its typists. Most civilian office managers are delighted to get 50 words a minute.

Typewriter manufacturers are making a fairly standardized reply to all inquiries about the Dvorak development. They have in the past ten years built a few thousand machines incorporating it, will be glad to build more of them as soon as manufactur-

ing prohibitions are lifted and if they get orders in sufficient quantities at any one time. They point out that there are more than 5,000,000 standard keyboards in daily use, that Dvorak is only one of many inventors of "scientific keyboards" who have been consistently stymied by the gargantuan job of rebuilding them and retraining their operators.

That the standard keyboard as it is stems from the fact that the three inventors of the typewriter—Sholes, Glidden, and Soule—had their inventive limits, never got over their surprise that anyone would want to use more than two fingers. They simply patterned it roughly after the distribution of letters in a printer's case for hand-set type, and the pattern stuck.



Cousin Ely's collar really started something!

STIFF and unyielding, it reached nearly to his ears . . . encased his neck like a whalebone corset. Uncomfortable? Of course. But that celluloid collar was the great-grandfather of plastics that will make life more pleasant for you in time to come.

Fabrics that are water-proof . . . and light-proof, for instance, with a clarity of color impossible till now. Elastic non-metallic fly screens, too . . . metal-saving packages . . . and flexible non-

corroding plumbing. In fact, everything from household appliances to cobweb-sheer hosiery!

For such man-made miracles, thank Cousin Ely's collar . . . and the chemicals, *caustic soda* and *chlorine*, which are vital to the manufacture of many of these versatile plastics.

As a major producer of caustic soda and chlorine, Wyandotte Chemicals Corporation has contributed towards the progress of plastics and the many

other war-important materials dependent upon these chemicals. In such ways, Wyandotte . . . side by side with other industries . . . is working to help create a better, brighter world.

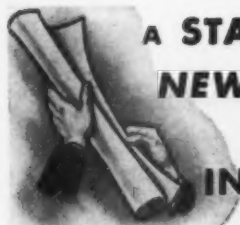
• Wyandotte Chemicals Corporation consolidates the resources and facilities of Michigan Alkali Company and The J. B. Ford Company to better serve the nation's war and post-war needs.



WYANDOTTE CHEMICALS CORPORATION—WYANDOTTE, MICHIGAN

OFFICES IN PRINCIPAL CITIES

Alkalies • Chlorine • Calcium Carbonate • Calcium Chloride • Dry Ice • Specialized Cleaning Materials for Business, Industry and Institutions • Wyandotte Cleanser for Home Use



A STARTLING NEW CHART OF INDUSTRY

To be among the first to see a startling new chart of industry—visit the 19th Exposition of Chemical Industries at New York's Madison Square Garden, Dec. 6-11.

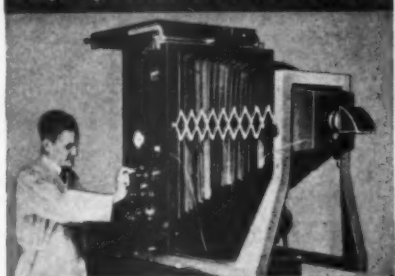
As a summary of current events and a preview of the future, this Exposition deserves the attention of every industrial executive in America.

Marvels in the production of new substances by chemical methods only half disclosed so far, with their counterpart in special processing equipment are still necessarily in part a war secret. Many details that may be revealed however, including not a few bearing on post-war plans, will form a leading interest at this year's Exposition of Chemical Industries.

Important decisions regarding the post-war activities of manufacturers may be made as a result of this Exposition. Visit this year's Chemical Exposition—and bring your associates.

19th EXPOSITION OF CHEMICAL INDUSTRIES
MADISON SQUARE GARDEN • NEW YORK • DEC. 6-11, 1945
Managed by International Exposition Co.

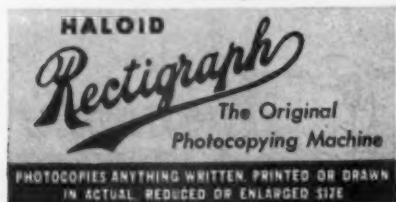
Step-Up Vital War Production!



PHOTOCOPYING REPLACES SLOW, OUTDATED METHODS

War plants use Rectigraph to make *exact*, error-proof copies of plans, payrolls, blueprints, specifications, flow charts, contracts, etc. *Accurate, speedy and efficient*, Rectigraph photocopying machines release manpower, save time and money, help to control, coordinate and expedite production. Rectigraph is self-contained, easy to install and operate. Investigate now as an immediate and post-war investment.

THE HALOID CO., 838 Haloid St., Rochester 3, N. Y.
Branch Offices in Principal Cities



tokens plus the scrap will have to weigh the same as the reels before certification is given by government inspectors.

• **Through Federal Reserve—Osborne** will ship the tokens in quantities specified by the government to each of the twelve Federal Reserve districts. The Federal Reserve headquarters in each district will filter them into member banks which in turn will circulate them to retailers.

Government guards in the plant will search each employee at the start and close of the shifts, and the whole plant will assume an atmosphere similar to that surrounding a government mint.

Laundry Remedy

OPA expected soon to decide how sick a laundry must be before it can get relief in the shape of price increases.

A mystery which has baffled the laundry industry ever since the advent of OPA ceiling prices is about to be revealed. Bowing to an ever-increasing demand for an explanation of how sick a laundry must be, and for how long, before it can hope for relief in the form of price increases, OPA has finally agreed to place all its cards on the table within the next few weeks.

• **New Formulas?**—Insiders have a hunch that OPA's cards will come from a reshuffled deck; that recently OPA has worked out new formulas for determining what constitutes hardship in laundry operations, and the degree of relief allowable in price increases.

Laundry owners close to the Washington scene expect OPA to announce a policy in which every laundry plant caught in the labor-price ceiling squeeze will be considered as a separate case (more flat increases for all laundries in a community) and the amount of price increase in percentage to be determined by the plant's prewar record of profits. Such a plan theoretically would permit a well-managed laundry with a good profit history to increase prices sufficiently to maintain its normal production within limits, while a consistently mismanaged plant would not fare so well but in any event would get enough relief to continue operating.

• **Speedup Likely**—Good or bad, OPA's new policy of handling laundry cases together with the recent laundry wage formula announced by the National War Labor Board, will serve to clarify the over-all picture for the industry. Specific provisions of the NWLB order will permit probably 95% of all wage and salary adjustments to be handled by regional boards, with preclearance from the Office of Economic Stabilization heretofore considered a bottleneck in processing laundry wage-price cases.

Under the new fixed policies of NWLB and OPA and with accompanying preclearance of OES, it is conceivable that the majority of hardship cases will be processed within a period of three or four weeks, whereas many recent cases have dragged along through months.

• **High Pay No Lure**—As in most service industries, manpower continues to be the paramount problem for laundries. Reports from the Northwest indicate that the record high rate of 70¢ an hour has failed to lure former em-



"GOAT" RIDES GOOSENECK

After playing its first public appearance in the United States, an Army export-model switch engine passes within shouting distance of the national capitol. Stout turnbuckles and

cables keep the 40-ton "yard goat" tethered aboard the heavy gooseneck trailer. Its debut was part of Washington's "Back the Attack" show (BW-Sep. 18'43, p105), but its real work will be foreign service for which it is fitted with front bumpers.



No wonder they call it *The "Duck"*

Amphibious action is playing an ever increasing part in World War II. And the 2½-ton Amphibian truck, now in volume production at GMC Truck & Coach Division factories, is giving American Armies an ever increasing advantage over the Axis. In the water, it has all the qualities of a large landing boat, *plus* the ability to keep going when it reaches shoals and shore line. On land, it provides performance comparable to a GMC "six by six" army truck, *plus* the ability to swim lakes and streams. Carrying cargoes from ocean freighter to

inland supply depot . . . establishing beach heads and bridge heads . . . unloading ships where no harbor facilities are available . . . aiding in reconnaissance work where no roads or bridges exist . . . carrying or pulling cannon and howitzers . . . transporting scores of troops or tons of equipment . . . are all in a day's work for this sturdy, seagoing truck. No wonder the GMC workers who are helping to build it, and the soldiers who are using it, both call it the "Duck." It's one of America's most vital and versatile military vehicles!

INVEST IN VICTORY . . . BUY WAR BONDS AND STAMPS

GMC TRUCK & COACH DIVISION • GENERAL MOTORS

Home of GMC Trucks and GMC Coaches . . . Manufacturer of a Wide Variety of Military Vehicles for our Armed Forces

★ ★ ★



Why Are These 4 Soldiers Like 4 New Motors?

The soldiers are different types, yet the same protective covering fits them all. Any one of them can put on any other's helmet.

★ Revolutionary new Uni-Shell motors, too, are of four different types, yet the same protective shell fits all of them. All types in the complete R & M Uni-Shell line, in any one frame size, are interchangeable and similar in appearance.

★ Such remarkable interchangeability makes units amazingly flexible and easily adaptable to a wide range of applications. Equally important are the new Uni-Shell insulation techniques and advanced bearing design. These and other features work together to put the Uni-Shell line of motors in a class by itself.

★ It would require a long row of figures to record all the man-hours and all the dollars that have been saved directly by Robbins & Myers many services to war-production. The greatest achievements have been in the solving of extremely difficult problems involving the pumping of hard-to-pump liquids, the handling of materials, conversion of machines to direct drive, ventilating, and special motor jobs. Write for full information about R & M Uni-Shell Integral Horsepower Motors—or any other R & M equipment. Robbins & Myers, Inc., Springfield, Ohio.

ROBBINS & MYERS, Inc.

FOUNDED 1878

MOTORS · HOISTS · CRANES · MACHINE DRIVES · FANS · MOYNO PUMPS

ployees back to laundries. A Los Angeles laundry owner spent \$200 on classified help-wanted ads in one month with the net result of twelve applicants, two of whom were hired.

While rationing of laundry service is generally frowned upon by most operators, several plants which have experimented with the idea report increased efficiency in production. Route men employed by several laundries operated by McIntosh Associates, Inc., throughout Pennsylvania and Florida, are furnished with a fixed number of ration stamps each day which must be affixed to every bundle list.

The plan has tended to regulate the daily volume, allowing the management to institute definite operation schedules which in turn have stepped up production to a point where new customers are solicited. Elsewhere old customers are given registered numbers which come in handy when a new route man has to be convinced that he is dealing with a "regular" and not a wartime transient.

• **Supplies Tighter**—Except for soap, most laundry supplies have become increasingly tight during the past 60 days. WPB has recognized this condition and has allocated enough textiles, marking and safety pins, and wire garment hangers to ease the situation eventually.

A War Lesson

Heavier loading of freight cars teaches railroads size of economies that can be effected, ICC summarizes results.

Loading more merchandise into box cars (compulsory under federal war edicts) has proved a profitable business, and the railroads would like to carry the policy over on a voluntary basis after the peace. Whether plans progress beyond the present conversational stage depends on whether carrier executives can see postwar freight density and competitive conditions to permit such a program.

• **The Wartime Rules**—Heavy loading now is dictated by the Office of Defense Transportation's general orders No. 1 and No. 18, issued to insure maximum utilization of rolling stock. No. 1 requires that less-than-carload lots of merchandise must add up to at least ten tons to the car; No. 18 says that shippers of carload lots must fill boxcars at least to the capacity stenciled on the side of the car.

There has been an increase in loss and damage claims—largely due to poor wartime packaging and shortage of experienced freight handlers—but the overall results have been pretty satisfactory, as shown by an Interstate Commerce

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WELL VIEW-POSTWAR

Crest House, windswept tourist shelter atop Colorado's 14,259-ft.-high Mt. Evans, is off civilian itineraries for the duration. The Army has taken over the area for maneuvers, and the house, the \$50,000 business venture of a group of Denverites, is a wreck with repairs impossible until after the

war. Forest rangers reported recently that gales had blown in windows, ripped off the roof, dumped in six feet of snow. Workmen, who built the structure entirely by hand, piled up 11-ft. thick walls to anchor the structure, instead of using cables such as hold down the University of Denver's cosmic ray research laboratory (background).

merce Commission cost study covering all the country's railroads.

What the Figures Show—How the average out-of-pocket cost of handling a fully loaded car in the terminal and on the line varies with the weight of the load is shown by the following tabulation:

Cents per 100 lb.		
Weight of Carload	Terminal	Line-Haul per Mile
5 tons	15.210	.081860
10 tons	7.605	.044180
20 tons	3.803	.025340
30 tons	2.535	.019061
40 tons	1.521	.014036

Similarly, wide changes in out-of-pocket costs were discovered by the ICC at various load weights for less-than-carload lot freight:

Cents per 100 lb.		
Weight of L.C.L. Load	Terminal	Line-Haul per Mile
1 ton	60.400	.44233
2 tons	36.775	.22859
5 tons	22.595	.10033
10 tons	17.875	.05759
25 tons	16.295	.04333

Outlook for L.C.L.—So far as less-than-carload freight is concerned, many officials are of the opinion that the railroads will never go back to the old basis of loading merchandise. They point out that before the war five tons was considered a fair load of merchandise freight. Now loads of 10 to 15 tons are the rule.

CREATING THEIR MARKET

A couple of years ago, Standard Oil Co. of California (gasoline), Firestone Tire & Rubber Co. (tires), and General Motors Corp. (buses) jointly formed Pacific City Lines to buy and operate transportation systems in western communities. The idea was to acquire down-at-heel streetcar properties in the smaller cities, scrap them, and replace them with bus lines, or to install buses in cities which had no transportation system, thereby increasing the demand for the three companies' products in the West.

Last week, P.C.L. bought from Pacific Gas & Electric Co., the Sacramento transportation system, long regarded by P.G.&E. as a white elephant.

The \$450,000 deal, which still must be approved by the California Railroad Commission, is the twelfth so far negotiated by Pacific City Lines. Other properties are in San Jose, Fresno, Stockton, Glendale, Pasadena, Englewood, and Eureka, Calif., Everett and Bellingham in Washington, and Great Falls and Butte in Montana.

While the Sacramento city council voted a 25-year franchise to Pacific City Lines last week (effective Dec. 1), public ownership enthusiasts in the city have whipped up sentiment in favor of the city's acquiring the lines and a proposal may be submitted to voters at a special election before Dec. 1.



Track Press Equipment



RODGERS Hydraulic Trailer Track Press illustrated above is designed to service all crawler type tractors, and is furnished with the "Retractable Jaw," which is considered the finest improvement ever to be made in track servicing equipment.

The Trailer Track Press is equipped with four-cylinder hydraulic pump, powered by a four-cylinder gasoline engine.

Other models are available mounted on four wheels, or as stationary units.



RODGERS Hydraulic Track Presses are recommended and approved by the Engineering and Servicing Departments of every crawler tractor manufacturing company. Rodgers equipment will service all crawler type tractors with Power, Speed, Durability and Safety. *If it's a Rodgers, it's the best in Hydraulics.* Rodgers Hydraulic Inc., St. Louis Park, Minneapolis, Minnesota.

Rodgers

HYDRAULIC, Inc.

"Go over" better

**the very next time
you make a
talk or
speech**



Dip into this new book for 15 minutes or half an hour when preparing your next talk . . . you're bound to come up with half a dozen valuable tips on delivery, and modern stories and quotes to add a lot of life, color, and punch to your talk. From these notes of a capable and long-experienced speaker you can get sensible advice and usable ideas for quick application in the kind of speaking jobs you are interested in. Gives a great collection of quotable material, both serious and humorous, and simple factors of successful speaking, presented in a way that you can follow easily and use with good effect on your audience and in development of your own confidence and satisfaction.

Hoffman's

The SPEAKER'S NOTEBOOK

334 pages, 5 1/2 x 8, \$2.50

• How to improve your skill and effectiveness

This book takes up public speaking from a realistic approach—gives dozens of down-to-earth tips, unembellished by any complicated theoretical approach, that you can apply in adapting your subject matter to the audience and the occasion, in using illustrative material effectively, making a good impression at start and finish, getting over platform jitters, acquiring a pleasant manner, getting your talk across, etc., etc.

• How to use humor in public speaking is given special attention in two chapters that tell when to use a story, what kind to use, how to tell a story—pointers that will help many speakers to make better use of this important technique.

Gives HUNDREDS OF STORIES

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THE WAR—AND BUSINESS ABROAD

Behind the Advancing Fronts

Triumphs for United Nations arms sap Nazis' economic gains; air war damages Reich's industry—but not without cost; guerrillas aid our cause but intensify political problems.

After a momentary pause at the Dnepr, Red Army detachments are pouring across the river at many points. A front reported to be bogged by autumn rains has suddenly and unexpectedly come alive over a distance of nearly 1,000 miles.

Daily thrusts of the Red Army have almost lost news value, but each day increases the import of the unrelenting movement of the battleline toward the 1941 Russian frontier. Not the least important is the fact that nearly all events in Europe today can be read in the light of Soviet successes.

• **Increased Stature**—By gaining and holding the military initiative against the Wehrmacht, Russia has become a factor in all Allied planning—military and political—and must be considered partly responsible for the sudden emergence of guerrilla resistance throughout Europe as German defeat becomes more certain.

In Yugoslavia, Greece, France, Poland, the Baltic states, and occupied Russia, German occupation forces are being challenged by increasingly strong guerrilla armies. In France 30,000, in

Yugoslavia 300,000, in Greece 50,000, and in Russia, Poland, and the Baltic states additional thousands constitute armies no less dangerous to lightly protected German communications than Soviet, American, British, and French forces.

• **Trends in Air War**—In the air, from bases in England, North Africa, Sicily, and Egypt, Allied bombers hammer with rising force—but at increasing cost—against the industry and communications of the Reich and satellite states. The seriousness of the damage being done is hard to assess, but the effectiveness of bombing in terms of cost in planes and crews is declining as target areas are ringed with antiaircraft guns and Germany turns more and more to the output of night fighter planes.

In Italy, Germany has not yet lost the economic advantages which attached to the Axis alliance. Even a formal declaration of war by Badoglio does not effectively end German use of the heavy Italian industries in the northern provinces.

• **Growing Economic Loss**—In Russia the economic disaster of the Nazis is



ALASKAN CONVOY

In the Canadian Yukon, a convoy of ten U.S. Army trucks climbs out of Whitehorse and heads for the next relay station on the Alaska Highway. They are more than 1,000 miles from

Edmonton where another supply cargo awaits shipment to Alaska bastions. The trucks are designed for the grueling road, the drivers hand-picked for the day-and-night grind which is made in relays between camps 100 miles apart (BW—Jan.16'43,p20).



*Strength for
a National
Emergency*

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1915 began in depression--with fear and uncertainty at home and abroad. But that courage and vision which built Youngstown into a \$20,000,000 corporation in 15 years, now brought a 50% increase in capital stock and a huge construction program. The next three years saw a modern, integrated plant completed--3 new open hearths, another blast furnace, batteries of coke ovens, additional finishing mills, new laboratory, hospital, works office building, hundreds of homes for employees. When war ended, nearly \$39,000,000 of stockholders' money had been plowed into plant and facilities.

The decision to expand was timely. French and British orders came with a rush in mid-1916. After April 1917, America and her Allies demanded and received every possible pound of steel to win the war.

In those events we see a familiar pattern--tremendously increased production, labor scarcity, high wages, taxes taking 80% of profits. But fortunately the American system of private enterprise was enabling Youngstown to earn good profits--sufficiently high to pay off all its bonded indebtedness, to pay generous dividends to stockholders and to fortify itself with reserves which enabled it and its employees to survive the lean early '20's.

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BLAST FURNACE CASTING

Behind the War Headlines

The Office of War Information's foreign division—due for a shakeup if the senators who just returned from a world tour have their way—has taken another licking from Britain's Ministry of Information.

Eighteen months ago the British started publication in Kuibyshev, Russia, of a fortnightly, *Britanski Soyuznik* (Our British Ally). The 20,000 copies of this well-illustrated, tabloid-size paper are widely circulated in Russia to officials, collective farmers, and Red Army men (BW—Apr. 10 '43, p. 36).

Popularity of the tabloid has resulted in the publication of a more serious paper, *Britanskaya Chronica* (The British Chronicle). Printed in London every two months on airmail paper, the newcomer is also tabloid-size, illustrated, full of speeches by Britain's war leaders and reprints of articles from critical journals such as the *Spectator* and the *Economist*.

India's Pipeline

Quietly, and obscured by both distance and censorship, British and American engineers have completed another new oil pipeline, this time in India. Meager reports do not locate the new project—most of the vital area is still endangered by occasional Japanese air raids—but the line has been delivering thousands of gallons daily over several hundred miles, expediting both truck and plane transport near the Burma front.

Refinery Work Rushed

Completion of the emergency oil pipeline in northwest Canada from the Fort Norman oil field to Whitehorse—key point on the Alaska Highway—will be a vital factor in speeding transport on the military road (BW—Apr. 17 '43, p. 28). To match the pipeline project, refinery equipment is being rushed to completion in Whitehorse.

The U.S. is contributing heavily to the exploitation of the Norman wells and construction of the pipeline and refinery. After the war, Canada reserves the right to half the wells and first bid on the pipeline and refinery facilities.

Dominion Bureau of Statistics record of oil output in the Northwest Territories: first four months of 1943, 57,729 bbl.; same period last year, 131 bbl.

Fadeout to Fanfare

More than one manufacturer has worried about the effects of deterioration of quality—intentional and un-

intentional—as a result of war, but few have withdrawn products from the market with the fanfare employed by Lever Bros., Ltd., when it stopped the manufacture and sale of Lux in Britain.

In addition to advertisements headed "Why there will be no more Lux till after the war," Lever Bros. has mapped an institutional program to keep the name alive while the cartons are off grocers' shelves.

Billions for Industrialization

Without much to do, Brazil's Coordinator of Economic Mobilization, Minister Joao Alberto, has revealed the ultimate objective of that nation's industrialization program. Speaking before a meeting of the Brazilian Standards Assn. recently, the coordinator gave rough details of a \$4,000,000,000 ten-year project to be financed half by American and half by Brazilian capital.

Licenses Revalidated

Because of the howl raised when the Office of Economic Warfare canceled all outstanding licenses to Argentina issued prior to May 1, OEI has tabulated the results of its revalidation program, announced July 31 (BW—Aug. 7 '43, p. 5):

Bona fide licenses submitted...	2,035
Licenses revalidated	1,373
Licenses canceled	62
Licenses awaiting action	6
Licenses referred to U. S. embassy in Buenos Aires for advice	584

Systematic Shutdown

Redoubling efforts to telescope production of nonessential goods in the Netherlands, Germany has appointed a "Central Committee for the Closing of Commercial and Industrial Enterprises" with 15 regional subcommittees. This latest measure is designed to systematize the closing of firms already struggling for life as a result of material shortages and the drafting of Dutch workers for service in Germany.

Parachute Cloth Valued

American troops often can use torn parachutes for bartering with natives for food and trinkets. According to American Viscose Corp., the natives of Burma have lodged an appeal to the U.S. Army Service Forces to use colored 'chutes for dropping supplies and ammunition to American and Chinese forces fighting along the Burmese frontier. They're tired of wearing white.

more complete and final. The Ukrainian breadbasket is slowly being eaten away. The Donbas, with prewar output of 60,000,000 tons of coal, has been lost before it became a substantial gain. German armies in the south have abandoned their last foothold on the Caucasus and even forlorn hopes of Russian oil. In the North, the Wehrmacht is weaving westward through the peat bog around Vitebsk, Orsha, and Mogilev which were the main source of fuel in northeast Russia.

At the Dnepr, the Red Army is within artillery range of the symbol of Soviet industrialization and electrification—Dneprostroi dam—and not far away from the chief prewar sources of iron and manganese at Krivoi Rog and Nikolaev.

● **As the Line Moves West**—But not that it is happening in eastern Europe is measured by the miles gained or lost at the front. Swedish newspapers describe a general evacuation of the Baltic states—the transfer of German colonists and heavy coastal and field artillery, and the removal of light-manufacturing plants and equipment rushed in to exploit Latvian oil-shale deposits.

Russian armies aiming at the last railroad to the Leningrad front are only 50 miles from the Latvian border, and already Latvian and Soviet guerrillas ahead of the Red Army are harassing German evacuation.

Far to the south, in the Ukraine Belgian and Dutch colonists—as well as German small-business men promised exploitation of Ostland in exchange for their cartelized businesses in the Reich—are being permitted to return to the west.

● **Plants Endangered**—In the central area—site of many a German industry evacuated or built beyond the range of British and American bombers—the approaching battleline forebodes Soviet tactical bombing raids and eventual re-evacuation to Poland or Germany.

In Poland, Soviet victories have encouraged both Soviet and Polish guerrillas to act more daringly against the German occupation forces—although it is already clear that difficulties will arise between the Poles and Russians during the reoccupation period, if and when it comes.

● **Two Armies Strengthened**—After two years of quiescence, the armies of Gen. Draja Mikhailovitch, War Minister not-in-exile of Yugoslavia, have been forced to action by the successes of the rival National Liberation (Partisan) armies under Gen. Josip (Tito) Broz. Both forces have been strengthened by the adherence of Italian troops trapped in the country, but both operate separately if not against each other.

Mikhailovitch spokesmen, as well as Partisan reports, indicate that the armies of Gen. Tito—which fight under Serb or Croat national flags to which is

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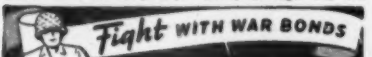


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added a red star and which display the Soviet symbol of the hammer and sickle—are larger in number, more widely scattered, and better equipped than the official armies of the war minister. And King Peter, with his government in Cairo, has recognized the Partisans in an appeal to all patriots to resist the enemy.

• **Real Aid for Allies**—Whatever may be the confusion of fact and opinion regarding the loyalties and political preferences of the Yugoslavian forces, it cannot be denied that Allied invading forces will be welcomed by strong and trained armies ready to assist in the defeat of German occupation forces as large—or larger—than those now engaged in delaying actions in Italy.

In France similar factions await an Allied land front—supplies are now being dropped by air at infrequent intervals and in quantities insufficient for guerrilla operations on the scale of those in Yugoslavia.

• **Political Problems**—Thus Europe prepares for German defeat. What is known of overt acts anticipating this defeat is less than all, and plans and counterplans hatching in official circles from Finland to Bulgaria must be strongly influenced by these events.

For the United Nations, all signs are favorable, but not all plans are ready. The political approaches and decisions involved in the invasion of French North Africa and the dickerings which preceded the Badoglio capitulation pale before the complex problems presented by Balkan politics and nationalism—no less than before Soviet Russia's unspoken but well-known antipathy toward British (or American) hegemony in the Balkans.

• **Momentous Parley**—And all this—the uprisings in Yugoslavia, the preparations in France, and the onrushing Red armies clicking off the mileposts toward Germany—occurs in the shadow of what may be the most significant conference of the war. The preliminaries—discussion between foreign ministers and secretaries of state in Moscow—will merely set the stage for the commanders-in-chief of political and military strategy.

Will Germany forfeit the Baltic states in time to becloud the Moscow conference with a sure-fire anti-Bolshevik issue? Will the Balkans erupt in time to compel Allied military decision for or against immediate intervention? Can Allied military plans for a spectacular showing—muffed in Italy—be readied in time to be used as a lever at Moscow?

• **Decisions Pending**—The next months will be decisive, not only on the military and political fronts of the war, but through decisions made, on the economic and industrial fronts as well, and will sharply affect the prospects of business as the plans prescribe a short or a longer war.

On the Way Out?

U. S. movies with Spanish subtitles yielding at Mexican box offices to domestic product, RKO snub reported.

MEXICO CITY—Until lately, U. S. made pictures had few wartime competitors in Latin America. European competition dwindled in 1939, and Latin-American producers have hardly been up to U. S. standards. The surge of popularity accorded Argentine and Mexican pictures in the last few months, however, was not missed by U. S. producers, and one of them recently tried—unsuccessfully—to hedge by getting into business here.

For some time U. S. films have dominated Mexican theaters despite the handicap of added Spanish subtitles, but Argentina and Mexico since the war have improved techniques to the point where the language difference is beginning to show at the box office. Temporarily Argentina is hard put to supply films in the quantities desired because of materials shortages, but Mexico—closer to U. S. film suppliers—is expanding movie circulation rapidly.

• **Failure Reported**—Last month, in an attempt to strengthen its position in Mexico, Radio-Keith-Orpheum Corp. sent two top men, Peter Rathvon and Phil Reiman, president and vice-president, respectively, to Mexico. The result of their discussions with Mexican producers has not been publicized, but it is understood that they failed to achieve their objectives which were:

(1) World-wide distribution rights for pictures made by Mexico's two biggest companies, Clasa Films and Films Mundiales; (2) acquisition of 51% of the stock in Posa Films, and a contract with the company's comedian Cantinflas—biggest box-office appeal in Latin America; (3) purchase of a number of important movie theaters; and (4) a cut in the big, modern studios being built by Harry Wright, until recently president of La Consolidada, S. A., only steel mill in Mexico City.

• **Mexicans Suspicious**—Wright is an American business man whose private collection of 16-mm. color films of Mexico is famous. Under his initiative, a \$1,000,000 corporation, Productores Asociados de America, S. A., began six months ago to build studios on a 23-acre lot on the outskirts of Mexico City between the existing studios of Clasa and Aztec film companies. RKO is reported to have asked for a share with Wright, the rest to go to Mexican banks.

Mexican film interests are suspicious of American efforts to squeeze into what is a relatively small but lucrative market. They fear a monopoly control which

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would stifle an infant industry primarily appealing to Latin America. In September, as if in reaction to RKO's visit, Clasa Films and Films Mundiales organized a joint corporation for the distribution of their films throughout Latin America.

Inflation at Work

Food costs up as much as 80% in parts of Brazil, and now the press is fighting investors' money fears with gold statistics.

SAO PAULO—In common with other countries, Brazil is suffering the effects of inflation due to war spending, and to this has been added a flight from the cruzeiro on the part of investors. Their attitude contrasts sharply with the confidence in Brazilian finances shown abroad, reflected in the trebling of external bond quotations during the past three years. In Brazil there is rampant speculation in real estate, intensification of skyscraper building, and swollen stock exchange values.

• **Living Costs Up**—Inflation has brought a considerable rise in living costs, expansion of bank deposits and loans, and a mushroom-like growth of new banks. According to official indexes, the cost of 19 prime foodstuffs has risen 35% to 80% in the capitals of the northern and northeastern states, and from 23% to 44% in the central and southern cities.

Food represents an estimated 62% in the budgets of poor families, 55% in the middle-class budget, but official indexes of food cost rises do not tell the whole story. Some of the items—meat, butter, salt—are not available in all towns or are found only in the black market. Some unofficial estimates put the over-all rise in living costs since 1939 at 73%.

• **Civil Pay Studied**—President Vargas has responded to the recommendation of his ministers for a 20% cost-of-living allowance to all government workers in northern and northeastern Brazil by ordering an inquiry into the possibility of a blanket pay-raise for all civil servants and men in the military forces. Many business firms have granted cost-of-living allowances.

Measures already taken by the federal government to stem inflation have included prohibition of further currency issues and the setting of ceilings on foods and essential raw materials. Note circulation, however, has continued to expand due to the need for financing exports abroad.

• **New Price Policy**—In order to suppress black markets, a new price policy is being adopted following the trip of Brazil's price controller to the U. S. to

study control methods. The government may subsidize transport of some goods, establish parity prices for farm and manufactured products, and freeze farm labor now drifting to better paid city jobs.

Speculation in real estate, difficult to control, has forced values of Paulista coffee plantations up 80% to 130%, and urban land has gone even higher. New construction continues due to the fact that many foreign firms invested in materials with funds they no longer wished to remit abroad.

• **Banking Reform Law?**—The growth of banks, a consequence of the increased volume of money in circulation, is causing uneasiness in certain quarters, and a banking reform law is imminent. The scramble to convert money into goods and chattels has even extended to government fixed-interest bonds which have little prospect of capital appreciation.

The press is waging an active campaign against the flight from the cruzeiro, pointing to the remarkable growth of Brazil's gold reserve and foreign currency holdings which have increased in value since the war to \$449,000,000 from \$38,000,000 and now provide a 79% backing for the note issue—an unprecedented occurrence in Brazil.

CANADA

Exporters Worry

Canadians advise Ottawa to lay postwar lines in foreign trade; Dominion is mum, but it won't be caught napping.

OTTAWA—Canadian business is needing the government for immediate plans to protect Canada's interests in the postwar export trade field. Latest spur to this drive was Canadian interpretation of the appointment of Edward R. Stettinius, Jr., to the post of Under Secretary of State as another indication of increasing American interest in postwar economic matters. London is also being closely watched by Canadians who feel that preoccupation with war has done little to deter traditional British attention to foreign trade problems. Ottawa is being urged to get on its toes quickly.

• **Exports Discussed**—Last week Canadian manufacturers proposed to Trade & Commerce Minister H. B. McKeen that Canada start now to export token quantities of plentiful goods to accessible foreign markets. The Canadian Chamber of Commerce will develop additional angles of this problem at its convention late this month. Before the war, Canada had well-trained

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trade commission and commercial intelligence services, but these have almost disintegrated during the war, and business is asking that they be revived and reorganized.

Actually Ottawa is not asleep. Top officials are doing a lot of subsurface studying and planning and see no reason to show their hand at this stage.

• **Recognition Guaranteed**—For one thing, all Canadian exports under the mutual aid program now bear an identifying label printed in English, Russian, and Chinese (BW—Sep. 18'43, p. 54). This, in addition to the fact that Canada now negotiates aid directly with Russia and China, guarantees recognition of the origin of goods which indirect supplying through Britain did not.

Also, more than two months ago (BW—Jul. 24'43, p. 53), a group of Canadian officials spent two weeks in London conferring with British officials on postwar trade policy. No formal announcement followed this parley, but it is believed that a pattern for grooving British-Canadian trade policies was drawn, and that drastic revision of the 1932 Ottawa agreements—preferential trade pacts between empire countries—will be forthcoming.

• **Bigger Hand for Business?**—Ottawa may follow Washington's example by giving business a bigger hand in the direction of foreign economic relations, and business men are hoping that this will be done by putting the activities of commercial intelligence and trade-commissioner services under the Dept. of External Affairs.

Protection of Canadian industry in its home market is a central demand of business in connection with postwar trade policy. So far Ottawa has withheld any comment; and the reason given unofficially is that such unilateral action would not be in keeping with Prime Minister Mackenzie King's theory of postwar international relations. Anything Canada might intend to do will rest heavily on British and American policies.

• **May Need Trade**—Meanwhile Ottawa is not ignoring the fact that with the end of the war Canada's responsibility for rehabilitation and relief will be sizable, and that revenue-producing trade may become an urgent necessity in order to finance these activities.

JACKING UP LUMBERJACKS

One of Canada's most acute manpower shortages is in lumberjacks for winter work in the pulp and paper industries. Ottawa is moving in several directions to ease it. The income tax office has modified requirements for pay-check tax deductions for seasonal bush workers (BW—Oct. 2'43, p. 44) and extended the concession to the lumber industry.



BOLT BUZZER

Bolts for aircraft repair work are sorted easily by Canadian blind workers with a simple device comprised of two rods and an electric buzzer. Bolts are slipped head first along one rod. When ends touch the other rod, set at a slant, the circuit is closed, ringing the buzzer. Bolts are then dropped into boxes directly under the points of contact. The machine was developed and is in use at Canada's National Institute of the Blind at Edmonton.

Pulp and paper is asking for and will probably get a "B" priority labor classification to put it on the same level as lumbering in the Selective Service transfer of workers to essential jobs. The Labor Dept. is conducting a drive to get more farmers into the woods for the winter, promising no change in their exemption from army call as a result.

AIR PARLEY SOFT-PEDALED

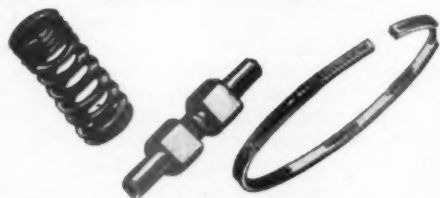
Canada's munitions minister, C. D. Howe, and a staff of experts are meeting with Lord Beaverbrook in London at the British Commonwealth Air Conference, but Ottawa is trying to minimize the importance of the discussions.

In the first place, it is emphasized the meeting is only consultative. Secondly, the experts do not intend to formulate a concerted program for the empire. Although the meeting was billed as a "family affair," Prime Minister Churchill is expected to announce the results of the discussion before Parliament but in tones designed to allay any suspicions aroused in Moscow or Washington by the conference.

Actually Canada, among the other Dominions, is increasingly outspoken about its intention to determine national air policies independently, and the conference may attempt to rationalize these with the theory of international consultation espoused by London and Washington.



Variety is the spice of our life, too!



McQUAY-NORRIS specializes in versatility... making many different products well. Thirty-three years ago we introduced the first replacement piston rings. Now we are making millions of precision parts in great variety to help beat the Axis... parts sturdy and unfailing. We are direct contractors to the Army and Navy and sub-contractors on precision parts for aircraft, tanks, scout cars and trucks. In our business, we've just got to be versatile.

Today we are working in five critical metals... iron, steel, aluminum, bronze, magnesium. We make parts large and small... parts hardened and ground... parts not hardened and ground. We build and operate highly specialized machinery. In our expanded plants, we employ thousands of expert craftsmen.

This versatility is all part of the job... part of the business of getting on with the war... part of the business of keeping ready for peace.

McQUAY-NORRIS MFG. CO.

ST. LOUIS, MO. ↔ TORONTO, ONT.



PRECISION WORKERS IN IRON, STEEL, ALUMINUM, BRONZE, MAGNESIUM

Business Week • October 16, 1943

PRODUCTION

Diesels Grow Up

Postwar pastures attract oil burners, now doing a big war job; they're a real threat to the other mediums of power.

The diesel engine industry has ballooned to impressive size since the war began. Industry proponents breathed hosannas in 1937, when a milestone was reached in the production of 2,075,000 hp. of diesel output in the United States. But now diesel output is probably that much every month (military considerations prevent compilation of exact figures).

● **On Its Own Feet**—Diesels are sprawling out as never before, offering a variety of challenges to steam, gasoline, and electric power applications. The diesel industry is still a pygmy. Its 25,000,000 hp. this year represents only a twentieth or so of automobile gasoline engine output in a good auto year, but it is standing sturdily and aggressively on its own feet for the first time since Rudolph Diesel built a successful spark-plugless engine in 1897.

The war's gyrations have brought notable changes into the diesel picture. Of greatest interest, General Motors has moved into the position of No. 1 producer, possessor of three big plants, sole manufacturer of a complete line from the small jobs for trucks or farm generators up to the behemoths which

drive the heaviest freight trains and motivate big power plants and water pumping stations. G.M.'s diesels provide the motive power for the Army's M-4 and M-10 tanks.

● **Wider Marine Use**—The war has proved diesel power for wider marine use. Multiple-engine installations have gained in favor, making possible an expansion of the employment of diesel power plants beyond the tugboat limitations of prewar days up to the destroyer escort class, and perhaps even to destroyers themselves. Use of many engines for large boats was not uncommon in Europe and was experimented with in this country before the war, but the new Navy installations mark a widening of the marine field for the industry.

Flexibility has been developed by such multiple-engine hookups. Weight has been reduced. Starting has been made easier, cutting down winter operation problems.

● **Railway Field**—The sales and development field of the diesel engine breaks down naturally into two spheres—large and small units. Postwar cultivation for the big jobs will probably be most intensive in the railway industry; other outlets include marine use and the orthodox stationary installations. These latter types of uses are nothing new for diesel power, but the others are just at the threshold of development.

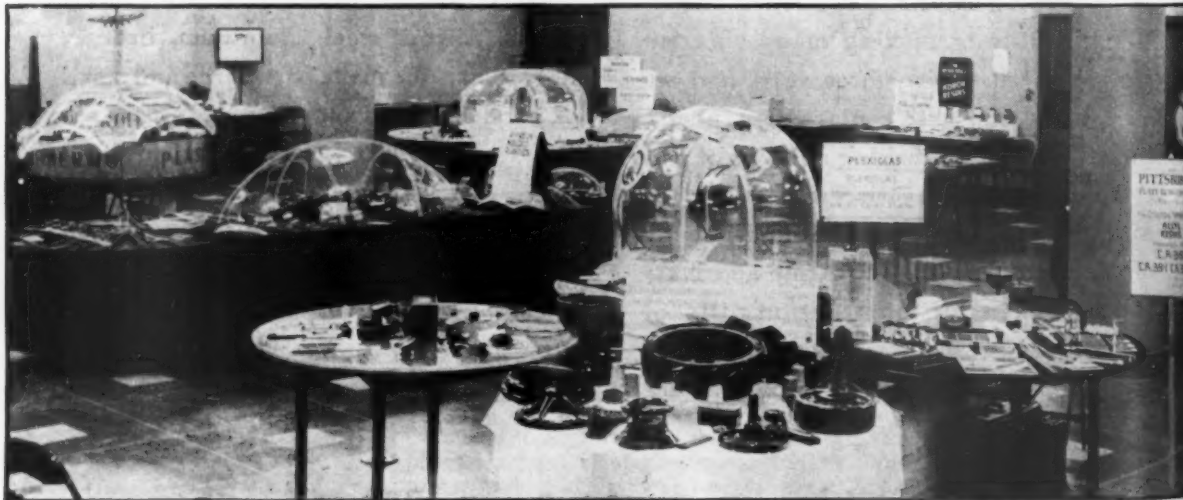
In the railway field, diesel proponents offer persuasive arguments to justify substitution of their form of power, activating electrical transmissions, in place of steam. A diesel-powered freight

engine costs nearly twice as much as the heaviest steam engines, and the biggest diesel passenger car locomotive costs more than twice as much. But after the original investment, industry cost studies indicate, diesel locomotives require but half the operating expense of steam engines and are in service twice as much of the time, sometimes more. The Santa Fe has advertised that one new diesel on big freight run replaces nine older steam locomotives.

● **G.M. Makes All Types**—The Electric Motive Division of General Motors is solidly entrenched in this field, first to go after it intensively and the only competitor manufacturing all types, from switching, transfer jobs, and freight and passenger car hauling. But old-line locomotive builders are edging rapidly into the arena. American Locomotive Co. has its own Diesel Engine Division and joins hands with General Electric to put out a diesel-electric locomotive. Baldwin makes the De La Vergne diesel engine to propel its switching locomotive. General Electric itself, meanwhile, is manufacturing a small 350-hp. engine primarily designed for employment within industrial plants and mills.

The choice of installation of power plants for stationary installations depends mainly on the hard facts of fuel availability. Diesel adherents figure that one car of oil fuel equals two cars of coal, so far as power development goes. If coal cost on the 1-to-2 ratio cheaper, then steam plants will be utilized; otherwise, diesels may be chosen. This field is nothing new for diesel before the war, it accounted for a fourth of all diesel adaptations.

● **Bus Fleets Expanded**—In the small diesel market, highway transportation, fishing vessels, and tractors and other



PLASTICS ON PARADE

At a Detroit exhibit last week, many metal fabricators had their first concentrated look at what real and poten-

tial competitors are doing and intend to do with plastics. The show was staged by the motor city's section of the Society of Plastic Engineers to display to the trade and public some

1,500 items of industrial, household and military plastic products. Attendance of several thousand persons indicates the general interest in these familiar gadgets—wearing new de-



2 Extra Girls for Other Work

Help Scarce? Here's one way to solve that problem—and in your own office. Replace outmoded record equipment with Cardineer. Saves 40% in manpower. One girl—comfortably seated at a desk—finds, files and posts all records with no lost motion. One unit of 6,000 cards at her fingertips—easy to find—easy to remove from the wheel for posting—easy to return.

Saves 40% in time, too. It's compact, portable and mighty good looking. Ready for *immediate* shipment.

Order Now.

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Formerly DIEBOLD SAFE & LOCK CO. • Branches in Principal Cities
Producers of Methods Equipment and Office Accessories

ASK FOR YOURS—Booklets in time-money saving on free on follows: check and pin on your letterhead: Inventories ☐ Costs ☐ Payroll & Personnel ☐ Plant & Equipment ☐ Purchases ☐ Production ☐.



DIEBOLD
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ROTARY FILES



BUY WAR BONDS



by Cardox Fire Extinguishing Systems

More war goods from fewer man-hours is one of America's most urgent needs today! Every hour saved here is another step toward victory.

One major fire—or a small fire that results in crippling damage by the extinguishing medium—can cut the flow of vital war goods to a trickle over night. Such fires may halt or slow down production on a dozen different types of essential fighting tools . . . waste precious man-hours and critical materials.

Cardox Fire Extinguishing Systems provide distinctive advantages in protecting production against these war-prolonging fires. They smother the fire and "cool out" combustibles through timed mass discharges of pounds or tons of CO₂ . . . with no damage by the extinguishing medium. Consequently, when fire strikes, men and machines are usually back in production quickly. Losses of vital materials are reduced to a minimum.

Industries guarding War-Winning Production with engineered Cardox Fire Extinguishing Systems include

leading manufacturers of *Airplanes, Airplane Parts, Armor Plate, Aviation Carburetors, Aviation Engines, Cold Strip Steel, Electric Power, Engine Parts, Forgings, Motor Fuel, Plastics, Processed Fabric, Rubber Products, Solvents, Tanks, Tank Engines.*

Today, the facilities of Cardox are concentrated on two activities: (1) Providing fire protection for War-Winning Production: (2) Applying the technological knowledge gained here to help industrial, municipal, state and national fire fighting organizations perfect plans to increase the efficiency of fire protection both today and after the war.

If more information would help—in solving your fire protection problems of today or tomorrow—write on your company letterhead for Bulletin 10103.

CARDOX CORPORATION BELL BUILDING • CHICAGO 1, ILLINOIS

District Offices in New York • Washington
Detroit • Cleveland • Atlanta • Pittsburgh
San Francisco • Los Angeles • Seattle



farm utilizations absorb attention, in that order. Dieselizing of intercity and city buses was proceeding rapidly when the war began. Greyhound had some 3,000 buses thus equipped, and Chicago and New York bus systems were rapidly enlarging their oil-driven fleets.

Inclusion of the fishing fleet as a diesel outlet may occasion surprise, but our fishing boats number approximately 85,000, and their owners are intrigued by diesel economy and dependability.

The new flexibility of the diesel also is of interest to fishermen. For example, they're inquiring about the recently announced General Motors "Quad," four nearly individual power plants operable through one crankshaft or disconnectable at will. They envision using only as many as necessary of the four banks, employing one to make ice to keep their fish cold, thus eliminating refrigerator boat middlemen who buy cargoes on the high seas, and also eliminating the need for returning to port within definite time limitations to prevent fish spoilage.

• Farmers Want Cheap One-Diesel tractors and other farm installations



PRECISION COMPASS

One reason that United Nations fliers are able to reach bombing objectives precisely and return home unerringly is the new "gyro flux gate compass" developed by Bendix Aviation. Though it has a gyroscope to keep it steady, it is not a gyro compass. Instead it "uses the earth's magnetic field to develop minute electrical impulses which, when amplified, turn the compass indicator," set up for demonstration on the dummy plane's nose. On the wing is a secondary indicator like those which are supplied to the pilot, copilot, bombardier and navigator.



*One of these days I'll turn in
my jeep for a job!*

• That's what Joe and 10 million others in our armed forces are counting on today. They are fighting harder, with courage and determination, confident that in the America of the future they will be given an opportunity to work and grow . . . will have a part in the peacetime progress of the land they love.

It is our job to assure them now that they will find this opportunity . . . that Joe and his 10 million buddies will have a place beside our millions of home front soldiers in preserving and expanding the free enterprise system that made America great.

Our organization, like our fight-

ing men, has placed the winning of the war above all else. But we are using all the resources at our command to be ready for Victory when it comes . . . to have a real welcome —jobs— for our fighting men when they return. It can be done by preserving and extending the free enterprise system that made America great.

THIS ADVERTISEMENT PUBLISHED BY

UNITED GAS PIPE LINE COMPANY

The Gulf South

Working {Toward Winning the VICTORY TODAY
Toward Winning the PEACE TOMORROW



Natural Gas transmission Company built in peacetime . . . now dedicated to serve wartime fuel requirements throughout the Gulf South.

TEXAS, Mail received at: Beaumont, Dallas, Fort Worth, Houston, Longview, San Antonio and Wichita Falls. FOR LOUISIANA, Mail received at: New Orleans, Lake Charles, Monroe, New Orleans and Shreveport. FOR MISSISSIPPI, ALABAMA AND FLORIDA, Mail received at: Jackson, Mississippi.

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EVERY BUSINESS MAN

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should know the

★ **EAGLE-A**
CONTRACT GROUP
★ *of business papers*

Because—these 75% cotton content papers have all the essential requirements needed for fast, efficient work. Strong cotton fibres give them strength and durability; expert craftsmanship gives them that fine crisp feeling of War Bonds. Three lines give you ample choice to efficiently meet most requirements.

Furthermore, it is desirable to use high cotton content papers to conserve vital chemical wood pulp

EAGLE-A
CONTRACT BOND
for letterheads—contracts—other business forms

EAGLE-A
CONTRACT RECORD
for ledger records—policies—legal documents

EAGLE-A
CONTRACT ONION SKIN
for contracts—air mail—legal forms—reports

Ask your Printer, Lithographer or Stationer to show you samples of these 75% cotton content papers. The Bond and Onion Skin are also available in boxed typewriter sizes—both plain and ruled.



AMERICAN
WRITING PAPER
CORPORATION
HOLYOKE MASSACHUSETTS



have never reached anywhere near potential because of high initial cost which outweighs operating economies for rural pocketbooks. A less-than-\$1,000 diesel tractor would have a huge market, but none is in sight.

But here again war developments may affect the picture. Farmers are dehydration-conscious today. Big agricultural establishments are dehydrating crops in field and barn. To do so, they use power plants which function as a blower and dewatering unit. If they could obtain an engine usable on the tractor by day and in the barn at night, they would get enough work out of it to justify high initial cost. Diesel salesmen are hoping for developments in that direction; if some come, or if a \$1,000 tractor appears, the farm market might well become the biggest prospective field for the industry.

• **In the Top Spot—Caterpillar Tractor Co.** is the top producer today in the diesel farm tractor field, followed by Allis-Chalmers, whose units are powered by General Motors diesels. Cater-

pillar has been in the top spot for long term of years and probably will hold on to it for some time to come.

Diesel prices are unlikely to go down despite the huge volume of war production. Demand almost inevitably will shoot down after the war, although probably not to the 1937 levels. And so long as mass production cannot be achieved, prices cannot be greatly reduced.

DIESEL ENGINE LUBRICANT

Clean operation of many diesel engines depends upon mechanical adjustment, but others require frequent maintenance shutdowns to correct valve trouble, piston scuffing, and sticky rings. Heavy wartime loads increase this problem. Also, recent stepups in efficiency of some diesel engines intensify the difficulties by putting heavier burdens on the lubricant.

Detergent oils have been used in diesel engines to reduce these troubles by dissolving the objectionable byproducts that cause the difficulties. But oxides

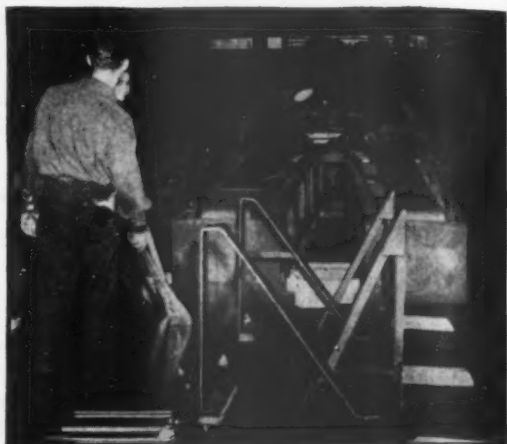
Weirton Steel Rolls Brass

When Uncle Sam broached the idea of rolling brass in a steel mill to provide sufficient rolling capacity for shells and cartridges, there were skeptics who claimed steel mill equipment was too large to roll brass to fine tolerances. But T. E. Millsop, president of Weirton Steel Co., Weirton, W. Va., accepted the challenge and changed equipment and procedure to make Weirton Steel the sixth largest brass roller in the country.

• **Speedup Coming—**With a present rolling capacity of about 50,000,000 lb. of brass a month, Weirton Steel soon will increase its capacity by transferring to a faster strip mill and installing a timesaving milling machine.

The early difficulty of working to such a thin gage—the tolerance in thickness is only 0.004 in.—was overcome through experience, while the tendency of the brass to curl around the rolls and to dip between the table rollers of the mill was eliminated by roll adjustments, by the installation of additional table rollers, and by the use of aprons.

• **No Postwar Plans—**While Weirton has no plans to stay in the brass business after the war, and other steel



firms have shown no inclination to enter this field, the adaptation of mass steel production units may eventually change the finishing setup of brass mills.

Under the Weirton procedure, brass slabs, or "cakes," weighing 1,330 lb. in contrast to the five-ton weight of steel slabs, are hot-rolled on a structural mill and reduced from about 4½ in. to ½ in. in thickness. Then "skinned," or machined, the material is sent to the cold strip mill, which reduces it to the desired gage in two passes (one pass will suffice when a new mill is ready). As it comes off the 48-in. tandem cold mill, three conveyORIZED channels (picture) sort the brass into different gages. The brass plate is then cleaned, slit annealed, pickled, and finally inspected.

tion, which creates the objectionable gum and sludge in the crankcase, has continued to form these troublemaking byproducts. Lubricants containing oxidation inhibitors have been available for gasoline engines, but not for diesel use.

Newly announced by Standard Oil Co. (Indiana) is an additive for lubricants which is claimed to inhibit oxidation and likewise to serve as a detergent in low-speed diesels. Identity of this additive is not disclosed, but Standard of Indiana is now marketing a low-speed diesel lubricant containing this material at a price somewhat higher than the price of conventional oils. According to the manufacturer, the antioxidant character of the oil reduces formation of the troublesome byproducts, and its detergent character holds the particles in suspension until they are filtered out or drained from the engine.

SYNTHETIC "FROST"

As an aid during the labor shortage, cotton farmers in Grimes and other central Texas sections are producing artificial "frost" to defoliate fields of cotton and speed cotton picking by more than 10%.

These farmers are using 30 lb. of cyanamide fertilizer per acre at a cost of 3¢ a lb. and dusting the fields with it from airplanes. The fertilizer is helpful for next year's crop; the powder causes the leaves to fall within five days, thereby making picking easier and creating the same results as a heavy frost, which likely will not come to the central Texas area until the cotton picking season has ended.

ALCOA LOOKS WEST

Aluminum Co. of America apparently intends to remain a part of West Coast industrial structure after the war. That, at least, is the inference drawn from Alcoa's negotiations for purchase of Pope & Talbot, Inc., large Coast lumber operator, and its affiliated interests, including McCormick Steamship Co.

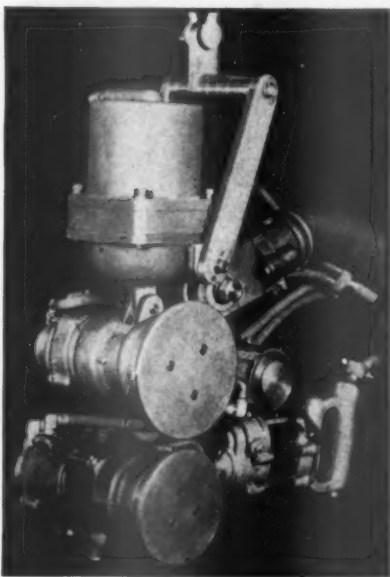
The deal was scheduled to be completed on Oct. 16, according to Kenneth Pope, vice-president of Pope & Talbot, reportedly the third largest lumber firm in the country. The purchase would include lumber mill properties at Port Gamble, Wash., and St. Helens, Ore.; a sawmill site at Port Ludlow, Wash.; and large timber holdings and real estate properties in Oregon and Washington, as well as McCormick's fleet of ships which, before the war, included some 26 vessels.

Observers see in the deal the possibility that Alcoa plans to transport bauxite from the Caribbean area to its western aluminum plants at Vancouver, Wash., Modesto, Calif., and Los Angeles. Ships might return to the East Coast loaded with lumber.

NEW PRODUCTS

Portable Seam-Welder

Newest product of Progressive Welder Co., 3050 E. Outer Drive, Detroit 12, is described as the "first practical Portable Seam-Welding Gun available to industry." It is designed to weld steel up to two thicknesses of 20 gage, including stainless steels, is already in use welding seams 22 ft. long on disposable lightweight gas tanks. Although its main ap-



plication will be on work too large or cumbersome to be taken to a stationary welding machine, it will probably find many places on conveyORIZED production lines.

The gun is universally suspended, can be swiveled for welding in almost any direction, vertical or horizontal. A 2-hp. air motor furnishes the motive power for the wheels which run along a seam, while a 4½-in. diameter air cylinder provides welding pressures up to 1,400 psi. with 90 lb. of line pressure. The transformer, which operates on 440-v., 60-cycle current, is rated at 100 kva. Both transformer and wheels are cooled by water, the latter both internally and externally.

Mailing Accessory

One of the important elements of a modern mailing machine is the little "reverse roller" which revolves in a direction opposite to that of the feeding mechanism. Its job is to marshal the envelopes one by one into the sealing and stamping departments of the machine. Normal material for the roller is rubber which is entirely adequate for intermittent mailings in small and medium volumes. For continuous service

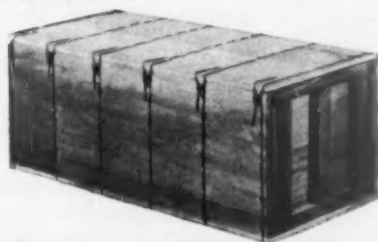


Why more *heavy-duty* General Boxes are reporting for overseas service

Export shipping problems are simplified when Heavy-Duty General Wirebound Boxes are used. The export type of wire-bound containers are called *heavy duty* boxes because they are made of much heavier material than domestic wire-bound boxes—yet they are lighter, cost less and occupy less space than the conventional type of export box.

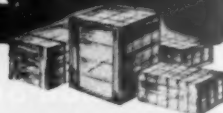
Bound with steel wires, General Heavy-Duty Boxes are built to stand rough sea voyages, rapid loading and unloading, rough handling. These export containers assure protection against crushing or distortion. And General Wirebound Boxes are exceptionally easy to assemble, pack and unpack, can be re-used for other shipments.

Today, only war materials can have the benefit of Heavy-Duty advantages—but "tomorrow" many types of export products will be delivered safely, speedily and economically in General Heavy-Duty Wirebound Boxes. Write for information about them now.



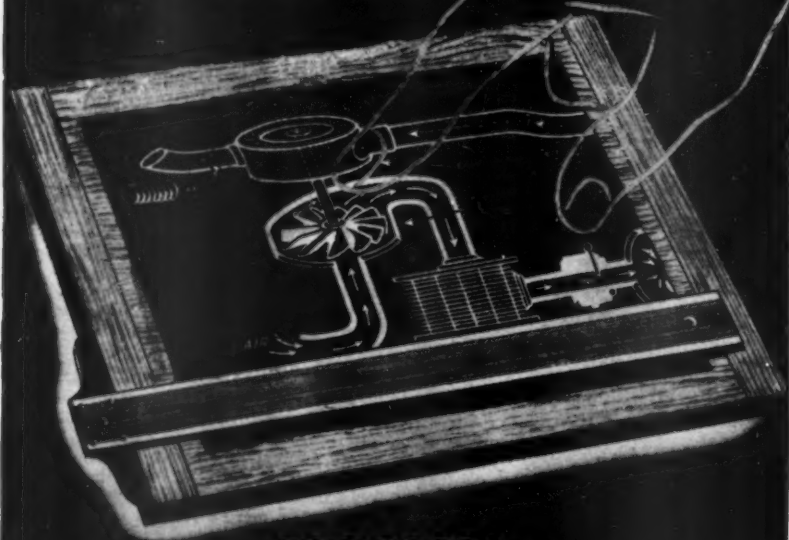
Today's lessons in getting war shipments to destination safely will be applied to "tomorrow's" peacetime products. Postwar export shipments will be faster, easier to handle, safer and more economical—thanks to wartime development of General Heavy-Duty Wirebound Boxes.

GENERAL BOX COMPANY



General Offices: 582 N. Dearborn Street, Chicago, Ill. District Offices and Plants: Brooklyn, Cincinnati, Detroit, East St. Louis, Kansas City, Louisville, Milwaukee, New Orleans, Sheboygan, Winchendon. Continental Box Company, Inc.: Houston, Dallas

A ROLLER BEARING AT 25,000 R. P. M. IN 300-DEGREE TEMPERATURES!



PROGRESS — for Aviation...and for Hyatt

Thanks to Turbo-superchargers, our planes now fly higher and faster... with "full military power"... at altitudes where the air is so thin that engines formerly lost four-fifths of their power.

"One of the toughest of all machines to design and build," its makers have said.

Ours was the job of supplying the roller bearing for a shaft spinning at 25,000 R. P. M. under 300-degree temperatures. This meant pioneering advances in the scientific heat treating of metals to prevent "growth." It meant improvements in grinding practices and refinement of surface finishing technique... establishment of new manufacturing routines and inspection procedures.

The result: a new super-precision Hyatt Roller Bearing, with inner race peripheral speed of 10,000 feet per minute. 51 years of specialized roller bearing manufacturing, research and progress made it possible.

Have you a tough bearing assignment?

HYATT BEARINGS DIVISION OF GENERAL MOTORS

HARRISON, N. J.

on big mailings the Pitney-Bowes Postage Meter Co., Stamford, Conn., has developed a new Carborundum Reverse Roller for mailing machines of its manufacture. It costs more than the standard roller, but outwears it many times over, pays its way by minimizing down time for roller changes.

Barometer; Altimeter

Newest high-precision instruments in the line of Wallace & Tiernan Products, Inc., Belleville, N. J., are a Barometer



and an Altimeter (illustrated), with 5-in. mirrored dials, for use in surveying, meteorology, research, airport service, and as standards for calibrating other instruments. Their aneroid mechanisms are said to be so free from internal friction that "tapping on the dial is unnecessary when taking a series of readings... have a sensitivity of one part in 8,000, and an accuracy of $\pm 0.1\%$."

The barometer comes normally with 0.5-millibar graduations over a range of 750 to 1,065 millibars, can be had with scales reading in the time-honored inches of mercury. The altimeter comes normally in either a 7,000-ft. or a 15,000-ft. range with 10-ft. or 20-ft. graduations respectively. Other scales and scale ranges can be supplied on either instrument. Both are compensated for temperature, the deviation on the altimeter being less than 0.1 ft. for a rise or fall of 1F. They are available in wall or panel mountings, or in shockproof protective cases for portable service.

Cyclograph

Because the new DuMont Cyclograph does a number of jobs more quickly and precisely than a trained metallurgist, it is described as the "robot metallurgist" by its manufacturer, Allen B. DuMont Laboratories, Inc., Passaic, N. J. As a nondestructive analyzer of metals and alloys, it will reveal differences in hardness, structure, depth of case, etc. As a sorter, it will separate metal shapes or parts according to any one of the following factors: analysis,

Post- has verse man- stand- times down

at treatment, structure, wall thickness, thickness of plating or cladding. As a detector, it will detect the presence of metal in nonmagnetic materials of various kinds.

The new electronic instrument, which is normally housed in a cabinet 37 in. wide, 26 in. deep, and 51 in. high, utilizes the principle that "the metallurgical properties of metal cause variations in the core loss of a tuned pickup coil surrounding the piece under test." In one model, these variations alter the patterns, or "cyclograms," on two cathode-ray screens, permitting an alert semi-skilled operator to "determine differences in metallurgical properties of a number of ostensibly similar parts." In other models, some of which can be installed right in a production line, the variations actuate sorting mechanisms which speeds up to five pieces a second. Since each instrument is custom-built and must be set up for the precise function to be served, the cyclograph will be leased, not sold.

New Products Briefs

Also reported this week, not only for their interest to certain designated business fields, but also for their possible impact in the postwar planning of more or less allied fields and business in general, are the following:

Luggage—Blotting paper impregnated with synthetic rubber becomes the new Hycar Luggage Material. It is a development of the Hycar Chemical Co., Akron, Ohio, said to be waterproof, resistant to extremes of temperature and to oils, greases, and solvents. Hand luggage made from it is described as strong and durable, lighter than leather.

Hospital—A special new G-E Washing Machine developed by General Electric Co., Schenectady, N. Y., expedites the application of the Sister Kenny treatment for infantile paralysis. An electric heating unit, replacing the agitator used for washing clothes, raises the temperature of the essential woolen "packs" quickly; a special wringer operating at a pressure of 700 lb. takes out so much water than the packs "though heated to 160F, may be applied without danger of skin burns."

Pharmaceutical—Lederle Laboratories, Inc., 30 Rockefeller Pl., New York, is offering several of its vitamin preparations—Vi-Magna (multi-vitamins), Vi-Delta (vitamins A and D), Vi-Alpha (A and E), and Tocopherols (sources of E) in new Capsule-Tablets originated by Atlantic Coast Fisheries Co., 111 John St., New York. Droplets of the oily vitamin mixtures are imprisoned in a gelatin mass and coated with a thin, slippery, leakproof layer of plain gelatin. As the capsule-tablet dissolves in the stomach, no large drop of oil is suddenly released to cause eructation and unpleasant aftertaste."

ANACONDA PM PLAN SPEARHEADS VITAL INDUSTRIAL MAINTENANCE PROGRAM

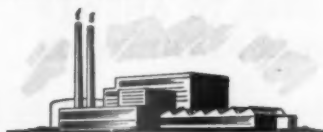
...over 12,000 manuals requested

...over 60 campaigns operating

... All branches of industry
join to safeguard production

The PM Plan is helping thousands of busy executives—where it counts most. Helping them maintain continuous wartime production... helping keep plant electrical systems operating efficiently... despite shortages in essential wiring equipment.

If you aren't already safeguarding production with the aid of this Anaconda Preventive Maintenance Plan, mail the coupon for full details.



HOW THE PLANT BENEFITS

The PM Plan helps uncover weak spots in electrical systems before trouble develops. Makes all personnel in plant, maintenance and conservation conscious. Provides practical "tools" to forestall—as well as foresee—would-be work stoppages. Helps maintain continuous wartime production.



HOW THE CONTRACTOR BENEFITS

Plan helps electrical contractor carry out his most important wartime job—industrial plant maintenance. Helps him keep business going and organization together during construction lull... helps keep old customers, gain new ones, despite lack of products to sell... puts him in leadership role for furthering the war effort.



HOW THE UTILITY BENEFITS

Utilities can use the plan to help maintain close contact with their industrial power customers, despite lack of something to sell. It gives utility management the basis for a service program that definitely helps their power customers. Offers utility a chance to do even more towards furthering the war effort.

ANACONDA'S PREVENTIVE MAINTENANCE PLAN



42229G

Anaconda Wire & Cable Company
25 Broadway, New York City 4

Please send copy of the Anaconda
Preventive Maintenance Plan for safe-
guarding wartime production.

10B

Individual _____

Company _____

Address _____

City _____

AMPLICALL

FOR THE SMALL PLANT

FOR THE MEDIUM PLANT

* FOR THE LARGE PLANT



W400 SERIES



Centralized control unit—heart of the AMPLICALL industrial sound system.

* DESIGNED TO ANSWER LARGE WAR PLANT NEEDS

Of high importance today to the large industrial units and other greatly expanded plants is the vital need for a dependable communications system to pace their speeded-up production activities. Pratt & Whitney Aircraft, Reichhold Chemicals, Ford Willow Run Bomber Plant and thousands of others from coast to coast have completely solved this problem and are profiting from the multiple uses of their AMPLICALL W400 Series Paging and Two-Way Communications Systems. *Locating instantly... saving precious time and countless trips... eliminating switchboard congestions... providing split-second emergency alarm protection... increasing production with musical programs... are only a few of the many ways AMPLICALL is serving the large plants of the nation. But whatever*

your plant size, large, medium or small, you'll find an AMPLICALL System of a design and capacity to answer your every need dependably and profitably. Let us show you how, without any obligation to you in any way. Drop us a request line today.

Electroneering is our business

Rauland

RADIO... SOUND... COMMUNICATIONS

Rauland employees are still investing 10% of their salaries in War Bonds.
The Rauland Corporation... Chicago, Illinois

WAR BUSINESS CHECKLIST

A digest of new federal regulations affecting priorities, price control, and transportation.

Gasoline Production

West Coast refiners have been instructed by Petroleum Administrator Harold Ickes to decrease their output of premium gasoline in order to increase production of aviation and 80-octane, all-purpose military gasoline. The manufacture of premium gasoline is now limited to 10% by volume of the total output of civilian automotive gasoline.

Fuel Oil

Fuel oil rations will be granted to consumers of more than 10,000 gal. annually regardless of whether or not their equipment can be converted to the use of coal. This is OPA's latest step in suspending the conversion program in effect for the last year.

Iron Castings

Producers who are selling gray iron castings under base period ceilings—the highest prices charged between Aug. 1, 1941, and Feb. 1, 1942—may apply to OPA for permission to add overtime costs to their maximum prices when existing maximums are too low to warrant continued production of castings needed in the war effort. (Amendment 6, Regulation 244.)

Similar adjustments are allowed to producers of malleable iron castings for casting where the maximum is so low as to discourage essential war production; previously, such adjustments were made only if the casting concerned was for use under a government contract or subcontract. (Amendment 5, Regulation 241.)

Cast-Iron Radiation

To assure essential production in the face of rising costs, OPA has authorized a 3¢ per ft. increase in sheet prices of all types of cast-iron radiation. (Amendment 3, Regulation 272.)

Rayon Yarn

The high-tenacity rayon yarn production program is to be expanded by 41,000,000 lb., to meet manufacturers' requirements for rayon cord for synthetic tires in 1944 and 1945. This means an increase in total rayon yarn production for military and heavy-duty civilian tires to 235,000,000 lb. Directives to four rayon producers—American Enka Corp., American Viscose Corp., E. I. du Pont de Nemours & Co., Industrial Rayon Corp.—require either an expansion of present facilities or a conversion of machines now working on semihigh-tenacity yarns, though not more than 3% of the total 400,000,000 lb. of filament yarns now being turned out for civilian use.

will be affected by this conversion. The new program must be in operation at capacity by July, 1944.

Thread

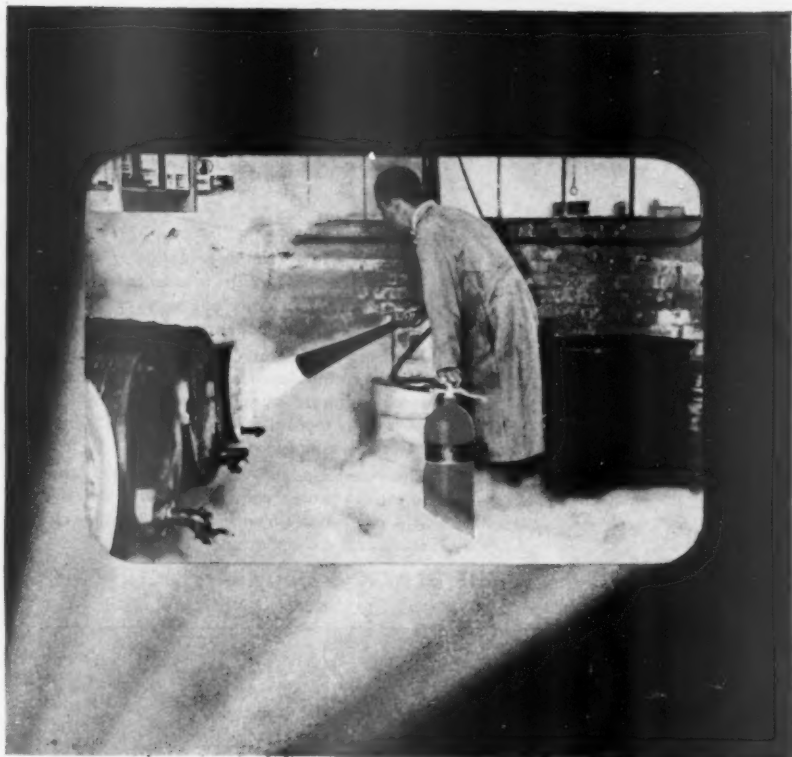
An amount of stitching thread equal to the 1941 output for commercial purposes has been authorized for 1944 by WPB. This represents approximately a 40% increase over present permitted production. Manufacture of sewing thread for household use continues on an unlimited basis, and restrictions on several varieties of cotton have been removed. (Order M-117, as amended.)

Dried Fruits

New maximum prices substantially above those hitherto in effect have been established for processors and primary distributors of the 1943 crop of dried apricots, peaches, pears, prunes, raisins, and figs to compensate for increased costs of labor and raw fruit. Since the government plans to take all the dried apricot, peach, and pear crop, and about half the dried prunes and raisins, prices to the consumer will not be greatly affected. (Regulation 475.)

Dried and Shell Eggs

By allowing egg drying plants to apply for cancellation of up to 50% of their November, December, and January delivery contracts with the Federal Surplus Commodity Corp., approximately 130,000,000



The villain of this film threatens your plant, too!

FIRE, the saboteur, can destroy your plant—even though you've installed the most modern fire-fighting equipment! If your men don't know how to operate it, or if they use the "right" equipment against the wrong fire, disaster can easily result.

Believing that visual instruction is easiest understood, longest remembered, Walter Kidde & Company have produced a color film with sound.

It shows exactly what to do when fire strikes. It pictures the different classes of fire, shows how to fight each of them. It's fast-moving, grips the attention of its audience during the twenty minutes of its run.

We'd be glad to show this film to key men at your organization. There is no obligation whatever for this service. Just drop a line today to the address below and we'll arrange a showing at your convenience.



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The David Bell Co., Inc.
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Waltham, Mass.

E. I. du Pont de Nemours & Co., Inc.
Paris, N. J.

Espey Mfg. Co., Inc.
New York, N. Y.

Henderson Produce Co.
Monroe City, Mo.

Herman Nelson Corp.
Moline, Ill.

Norwich Knitting Co.,
Norwich, N. Y.

Package Machinery Co.
Springfield, Mass.

Payne Furnace & Supply Co., Inc.
Beverly Hills, Calif.

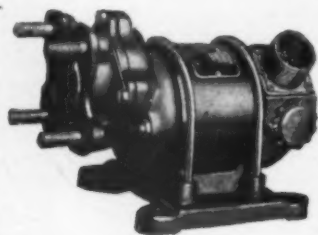
Reeves Sound Laboratories
New York, N. Y.

Sonoco Products Co.
Hartsville, S. C.

(Names of winners of the Army-Navy and Maritime Commission awards for excellence in production announced prior to this new list will be found in previous issues of Business Week.)

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★ Endurance... stamina... ability to "take it"—all describe that quality in motors so imperative for the satisfactory operation of all types of motor operated equipment and appliances.

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The valuable experience we are accumulating in solving problems involved in the war effort will contribute to improved motor operated equipment for the future.

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The EBCO MANUFACTURING CO.
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dozen shell eggs—or their equivalent in frozen form—will be made available for civilian and military use, the War Food Administration has announced.

Another form of relief for United States commercial users of dried eggs is provided by the Food Distribution Administration which will sell up to 2,000,000 lb. of spray-process dried whole eggs to manufacturers who need them in making noodles, macaroni, bakery products, and salad dressings.

Shell eggs that have been held in storage or set aside under the terms of FDO 43 may now be moved into regular commercial channels.

Used Steel Drums

Dollar-and-cents ceilings have been established for service charges on reconditioning used steel drums of 50- to 58-gal. capacity, to encourage their re-use. This action, affecting over 98% of all reconditioned steel drums, sets new ceilings at 90¢ for "basic" reconditioning, \$1.40 for "total" reconditioning, in all parts of the country except the Pacific Coast, where somewhat higher ceilings are allowed. At the same time, ceilings on raw, unreconditioned drums have been reduced 25¢ per drum. (Maximum Price Regulation 43, formerly Revised Price Schedule 43.)

Other Priority Actions

Quota assignments for the output of coil, flat, box, and fabric **bedsprings** during the twelve months beginning Oct. 1, 1943, have been put on a unit basis instead of a weight basis, by WPB's Order L-49, Amendment 1. . . . Restrictions on the use of animal oils—lard, tallow, and fleshing oils—in the textile and leather tanning industries have been suspended for three months, beginning Oct. 1, by amendment to FDO 53. . . . Relaxation of restrictions on castor oil during the next three months, affected by an amendment to FDO 32, will result in improvement in the quality of shoes, raincoats, varnishes, printing inks, and other civilian products. . . . Some photoflash and photoflood incandescent lamps for civilians have been freed from restrictions that required purchasers to submit preference ratings, through an amendment to Order L-28.

Other Price Actions

A program to effect a reduction in consumer prices for **peanut butter** from the July level of 33.1¢ to about 26.5¢ per lb. (September, 1942, level) through rebate payments to peanut butter manufacturers to be made by Commodity Credit Corp. has been announced by the War Food Administration. . . . Importers' sales of Cuban rum, imported in bulk and sold in bulk or in bottles, have been given maximum prices by OPA's Amendment 4, Regulation 445. . . . As one of the steps in a program to extend control over prices of fresh fruits and vegetables, OPA, through Amendment 9, Regulation 426, has established ceilings for apples for home consumption, at national levels averaging between 10 and 11¢ per lb. for the season. . . . Cannery's maximum prices for fruit cocktail have been revised upward by Amendment 17, Regulation 306.

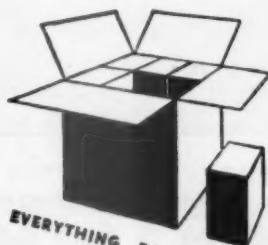
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AGRICULTURE

Corn Comes Back

Late, warm autumn aids grain to overcome the effects of dismal spring; crop exceeded only twice. Soybeans also gain.

As one warm, golden day after another passed in the Corn Belt during the first half of this month, crop-conscious farmers pinched themselves lest the unseasonable weather prove unreal.

• **If Winter Comes**—The region's two big money crops—corn and soybeans—got off to a terrible start when cold rains last May and June delayed planting by three weeks in many districts. All summer long, farmers and processors worried about damage that early frost could bring. Fortnight ago, a cold wave retarded maturity, but the temperature didn't drop to the frost-damage point.

Now, under the hot October sun, the corn and soybean crops have ripened ready for harvest. Each additional hot day has added untold food and feed values as the crops stood in the fields.

• **Big Soybean Crop**—What four months ago looked like a failure has become a bumper soybean crop. The production estimate in the government reports on Oct. 1 almost equals the U. S.

record '42 crop of 209 million bu.; now this should be surpassed.

New crop soybeans are coming to the country elevators in quantity. Many a Corn Belt farmer painfully recalls losing up to 10% of his last year's bean crop to bad cutting weather. To avoid a repetition of this costly loss, thousands of Middle Western combines are working in the bean fields 24 hours a day, using two or three crews of men.

• **Best Beans Ever**—Baked dry by the sunshine, beans are reaching the elevator dumps with moisture content of less than 10%, and in perfect condition, not sweating. Best index of how unprecedented this is: Commodity Credit Corp.'s schedule of premiums, rising 2¢ a bu. for each reduction of 1% in moisture content, starts at 18% and goes down only to 11%.

Corn shows an even more miraculous comeback. As of last July 1, the Dept. of Agriculture's corn crop estimate was 2,707,000,000 bu., compared with 1942's record crop of 3,175,000,000 bu. The Sept. 1 crop report raised the estimate to 2,985,000,000 bu., fourth largest on record, exceeded only by three-billion bu. crops in 1942, 1920, and 1906. The Oct. 1 estimate, out this week, boosted the figure to 3,055,605,000 bu., third largest on record.

• **Top-Quality Corn**—But veterans of Chicago's Board of Trade exulted that

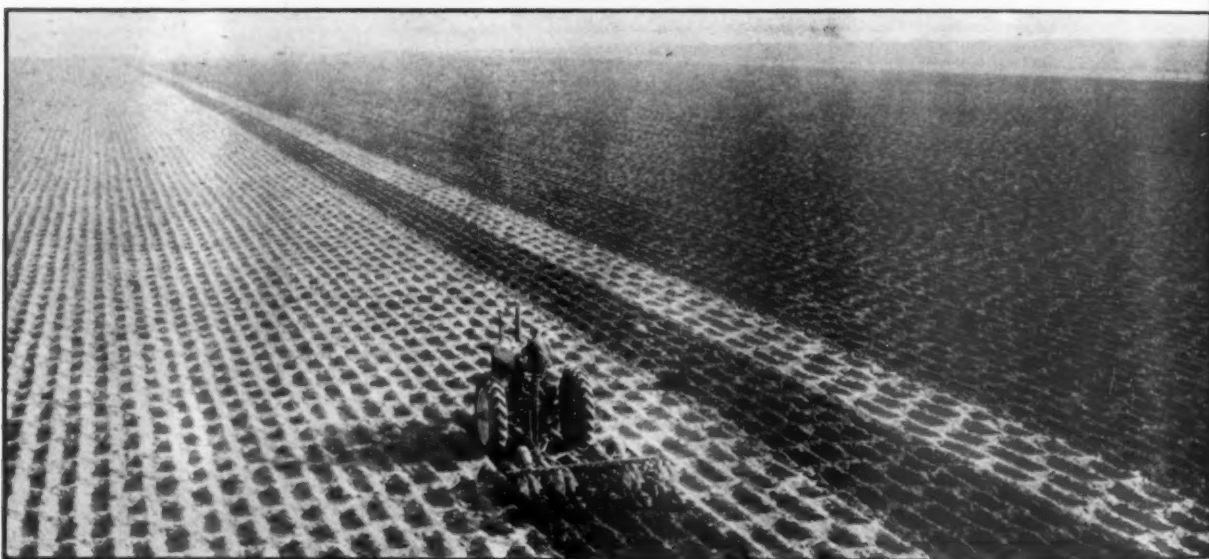
this will be the largest-ever crop of top-quality corn. Last year's showed heavy frost damage on 100 million bu.; this year frost damage will be practically nil.

Even better pleased than the opulent Corn Belt should be the dairy and poultry farmers of the eastern feed-deficiency states. Feed will still be short this winter but not so short as might have been.

• **One Day's Trade**—Washington continued its efforts to improve a bad situation by importing wheat from Canada and by purchasing what the trade estimated as 1,500,000 bu. from the Argentine exportable surplus of 46,000,000 bu. Shipping to carry only half a million had been allocated to this purchase, by trade reports. Total wheat involved in the Argentine deal is about a normal day's stock of cash grain handled on the Board of Trade.

Recent extension of the official stop-loss guarantee to farmers who sell corn now has brought into the markets even less cash corn than trade pessimists expected. Next Administration move to provide corn essential for continuous operation of processing plants will probably be early revision of the corn ceiling to a basis of county-by-county parity.

• **Fingers Crossed**—Net effect to Corn Belt farmers will be to boost prices at the barnyard in principal corn-producing areas somewhere under a nickel. Corn-hungry processors are none too sure that this will work. Right now the farmers are so busy combining soybeans that no conceivable price inducement could set them hauling corn to town until all the beans are in.



DESIGN FOR FARMING

Six years ago Charles Peacock, Lincoln County (Colo.) farmer, was on the spot. Either high winds or lack of moisture almost inevitably obliterated newly planted crops. Faced with

mounting debt, Peacock revised his planting ideas. He decided on furrow farming (above), a modification of the lister method, and revamped his tools for the job. The honeycombed effect is accomplished by furrow shovels and a series of rear blades which scrape the

earth into small dams. This not only protects seedlings from strong winds but retains moisture, thereby preventing water and dust erosion. As a result, Peacock has raised several excellent crops, has paid off his debt, and hopes to collect on patents.

More Implements

Everybody is pleased over increased steel allotment for farm equipment, but there still problem of getting parts.

Last year's rigid, complex distribution program for farm machinery, with controls at the manufacturing level and at each successive stage, left farmers, implement dealers, and manufacturers frustrated. The trade was unable even to ship a surplus machine across a county to fill an urgent need, and manufacturers were forced to use uneconomical less-than-carload shipments for unprecedented proportions of their output. **Restrained Enthusiasm**—The War Administration announced its simpler, more flexible distribution program for 1944 late last month, expecting it to be greeted with happy sighs. These expectations have been partially fulfilled.

Farmers and dealers are greatly encouraged because the new regulations abandon the 1943 plan by which every implement was tagged at the factory for use in a particular county, and because shipping at the retail level will apply to only 31 of the more important items instead of to everything. But manufacturers are conspicuously unexcited. Their general attitude is that the new program will be a lot better than last year's—but where are they going to get the machines to distribute under the new regulations? **Off to Late Start**—WPB order L-170, limiting farm equipment output for the year ending Oct. 31, 1943, authorizing output of tonnage equal to 40% of 1940, which was a good sales year. But it started out authorizing only 20%, was liberalized many months later.

WFA still talks about 1943 production as 40% of 1940, but the disillusioned manufacturers say that when the 1943 year ends this month, their actual performance will total only between 20% and 30%. They never got enough raw materials to catch up. Even now, with 1943 quotas expiring in a fortnight, several major tractor makers are going along at a fraction of the capacity at which they have plant and labor because they cannot get materials to keep out their schedules.

Darkish on Prospects—The production program for next year, L-257, cheered up manufacturers when it was issued, because it allotted to farm machinery a generous 900,000 tons of steel (BW-26/43,p28). WPB promised then that the materials for this expanded program would be forthcoming without delay. Official view was that this would be 80% of 1940-41 average output—more liberal base than 1940—and even country pessimists agreed that it would



THE ABOVE DISPLAY is one of a series presented to Blackhawk employees every two weeks — dramatizing the wartime importance of their many products. This particular exhibit features the "Caterpillar" Serviceman's Tool Kit containing a balanced, carefully selected assortment of tools which the Caterpillar Tractor Co. makes available to "Caterpillar" servicemen all over the world... added assurance of maintaining the high reputation for which "Caterpillar" equipment is famous.

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make 70%. Subsequent developments, however, lead the industry to widespread cynicism about prospects for 1944.

Steel deliveries are in good shape, running 90% to 95% of schedules, and the future seems bright because designs have been adapted wherever possible to bessemer steel and other substitute materials that are relatively plentiful. Component parts have the factories milled. Bearings, bushings, valves, tubes for radiators, auxiliary motors, small electrical equipment are the stumbling blocks of several major manufacturers.

• **Head-on Collision**—These parts are just as urgently needed for airplanes as for tractors and farm equipment. Hence the implementation of purchase orders run head-on into the higher priorities of Army and Navy.

In such a conflict of interests, a civilian outfit doesn't have a chance. WPB holds out no assurance of help, and the farm suppliers, confined to promises that it will do its best under the impact of next year's increased airplane program.

• **Political Gesture**—Latest reports from Washington indicate that L-257 soon will be revised upward, probably setting 1944 production quotas at 100% of 1940. The trade views this prospect as a political gesture, at the expense of manufacturers' goodwill, to pacify a farmer who needs a machine his dealer cannot supply.

Major farm equipment makers have a tested technique for taking such difficult situations to the farmers by advising them and through dealer organizations rather than accepting the blame for inability to manufacture beyond the limitations imposed by federal controls. Off the record, they say that it would be silly for Washington to increase production quotas on paper when it looks doubtful that they can get enough materials to meet the ones they have now.

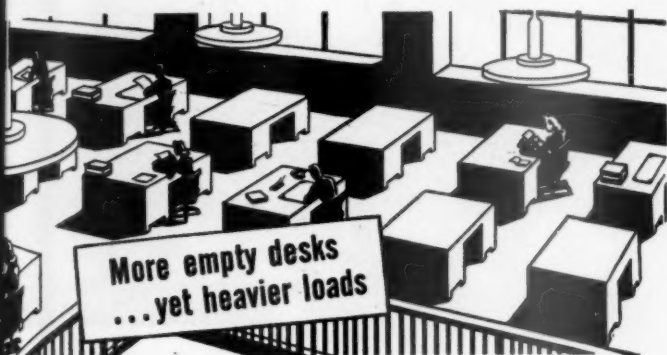
• **A National Reserve**—How well the brand-new farm machinery distribution program which takes effect on December 1, 1943, works depends more than anything else on getting the machines. If there are far too few machines to go around, any type of rationing can be spectacularly successful. The program requires manufacturers to set aside 2% of each month's production as a national reserve to be allotted by WFA to points of greatest need. What is left is divided into three major classes:

Schedule I includes 19 types of products, including most of the basic tools of the farmer, those for tillage and cultivation. Items on this list are important to produce the urgently needed crops. They include tractors, combines, corn, cotton, and potato planters; lister planters; grain drills; corn binders and pickers; potato diggers and many hay, straw, and ensilage tools, and manure spreaders. For Schedule I products, manufacturers must furnish a standard distribution pattern to WFA and a dis-

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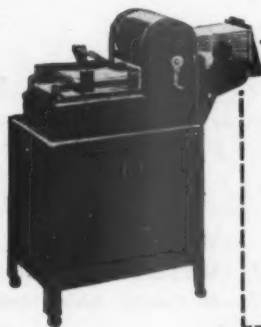
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in pattern by counties to each state war board. To buy one of these tools, a farmer requires a purchase certificate from his county farm rationing committee.

Schedule II lists twelve types of product. It includes some hay and ensilage machinery; mowers; garden tractors; milking machines and milk coolers; feed grinders and crushers; and well, water supply, and irrigation pumps and equipment. Restrictions differ from Schedule I only in not requiring county distribution patterns.

Schedule III is principally tractor-drawn mounted implements. State distribution patterns, not county, are required, and purchase of these items requires no ration certificate after Oct. 15, 1943.

Backlog for Crisis—Current discussion in farm and implement circles concerns what use will be made of the 20% reserve that accrues under the new program. Apparent purpose is to shift these machines into areas where acute or emergency situations exist as, for instance, in the Southwest where such a large number of combines have been shipped out until danger threatens next summer's wheat harvest (BW—Sep. 13, p.20).

Always in the background, however, is the possibility that large parts of this reserve may be sent abroad to rehabilitate the devastated agriculture of liberated and occupied territories. Washington has on paper huge plans for shipping farm machinery overseas, has had scant encouragement from manufacturers hard-pressed to meet domestic requirements.

Domestic Needs Increasing—Much more of the machinery on American farms wore out last year than normally, simply because it averaged older than normal. Cultivation of 16 million addi-

tional acres under the War Food Administration's 1944 program makes the need for additional machinery more acute. Chances are excellent that farm labor will get another sifting over by the draft (BW—Sep. 25 '43, p.5) which will point up the crisis still more.

Mechanical Picker

Cotton-stripping device in use in Texas does the work of 10 to 15 pairs of human hands, picking 7 to 10 bales a day.

For years, cotton growers have dreamed about and experimented with mechanical cotton pickers, among them the machine introduced by the Rust brothers in Memphis, Tenn. (BW—Dec. 28 '40, p.38). Now emerging from the dream world into the reality of production and operation is the two-row Morco cotton stripper, 100 of which have been built, with government approval, by the C. E. Morris Co., Dallas, Tex. Fifteen of the machines already have been shipped to the south plains of the west Texas cotton belt.

• **Bale an Hour**—These machines, based upon a model developed at Texas A. & M. College, harvest a bale an hour from fields yielding from one-half to three-quarters of a bale an acre, or from seven to ten bales in a normal working day. Cost at present is \$1,440, but a reduction of perhaps \$500 in price is expected by the company when large volume production begins next season.

The stripper consists of a slot for

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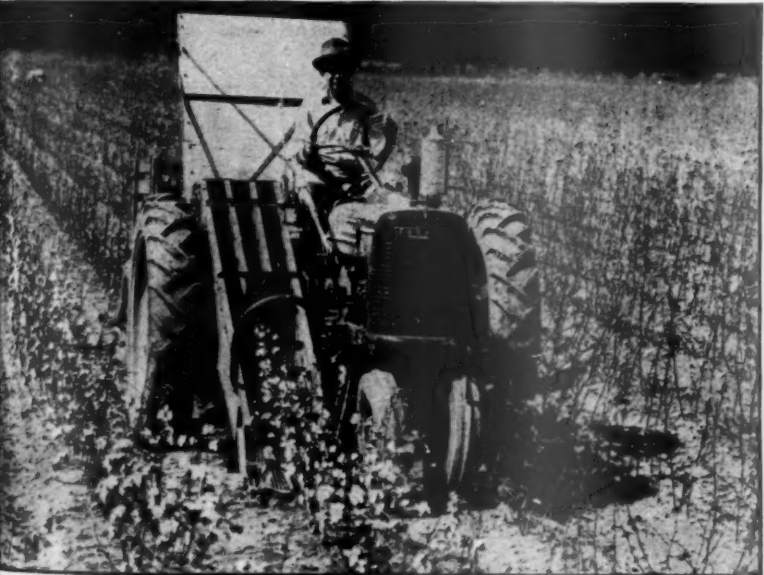
PAPER IS A WAR MATERIAL

Tons of Nekoosa-Edwards papers are doing war jobs today, but while we're proud to be supplying these Government requirements, we're also proud that the high quality of Nekoosa Business papers remains unchanged.

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out of the realm of hope and into preliminary production is a two-row mechanical cotton picker devised by Texas A. & M. College researchers.

Stripping from seven to ten bales a day, the pickers are built by C. E. Morris Co., Dallas, which has turned out 100 at a cost of \$1,440 each.

Accuracy: within 6 inches

.. How "See-ability" is helping skilled workmen produce range finders of amazing accuracy for the U. S. Army

They said it couldn't be done!

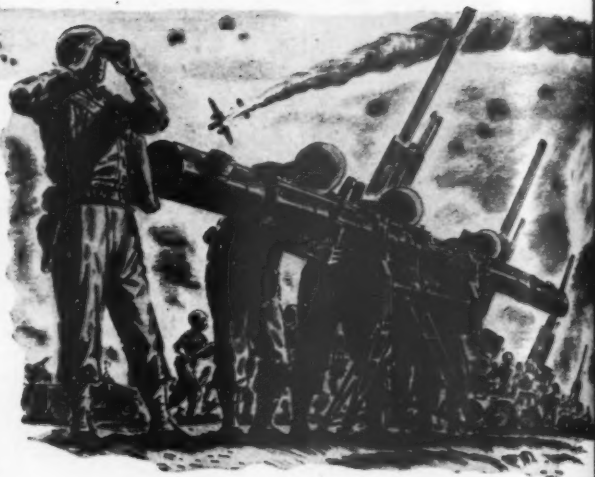
No sir, no one could turn out range finders, eyes for our army's artillery—as accurate as it wanted them—as fast as it must have them!

But that was a long while ago—before Pearl Harbor!

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"See-ability" through better, more scientific, lighting helps make this miracle possible. It is helping make high speed precision machine work a routine matter. It is helping bring well-nigh

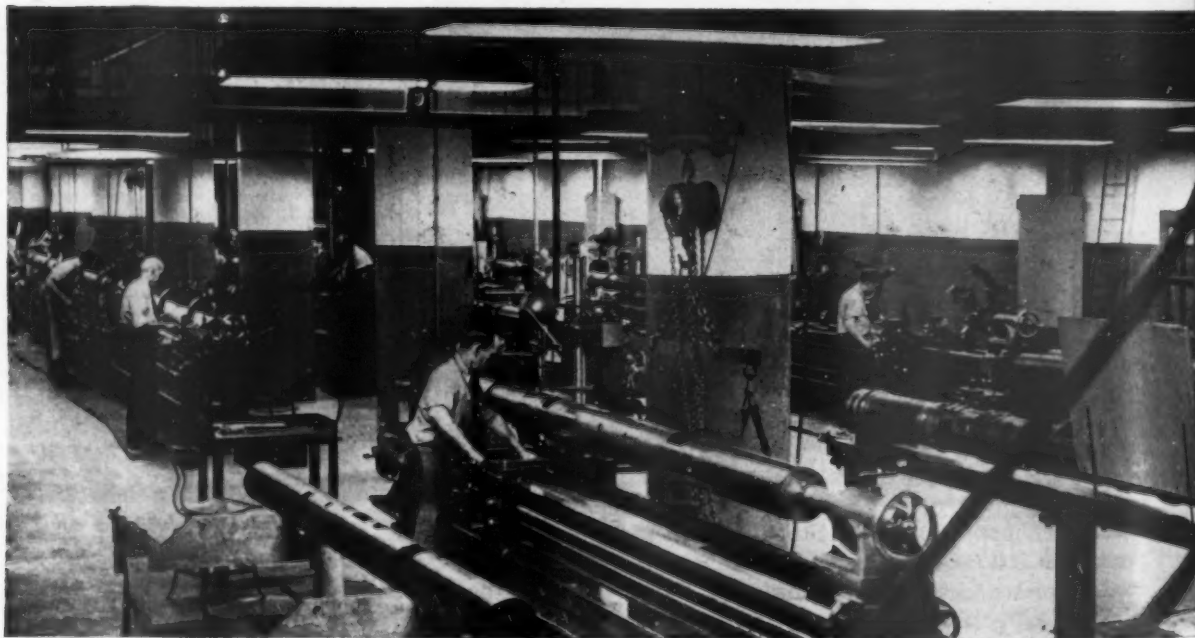


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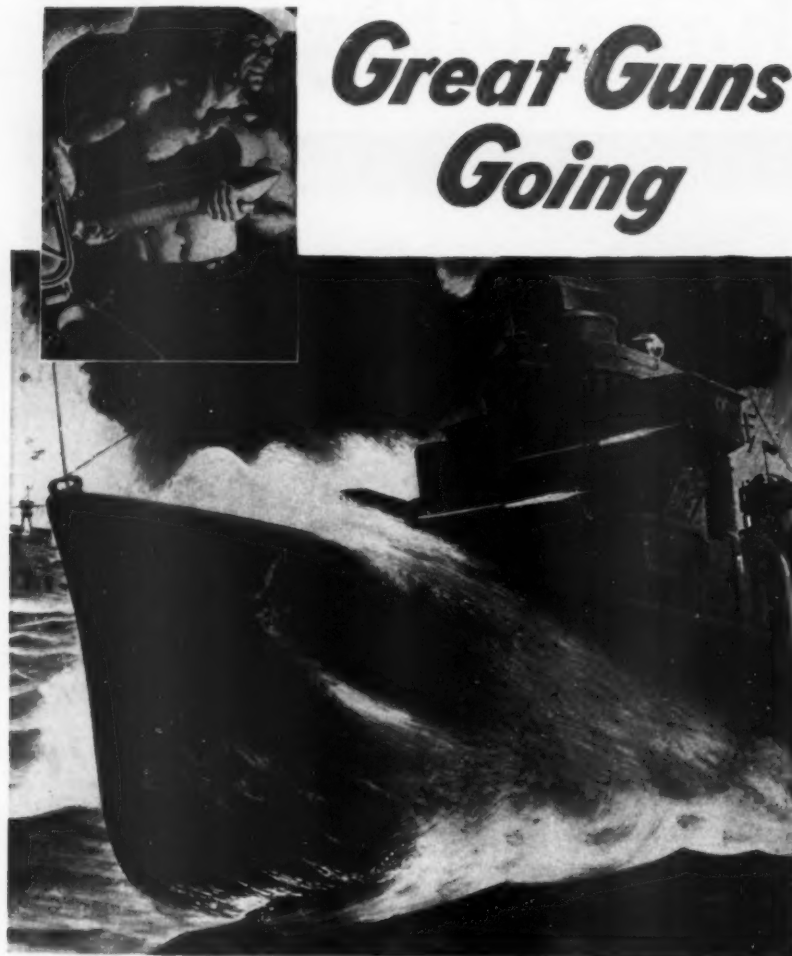


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each of the two rows, with a revolving screw to carry the bolls into a container or truck in the rear. The stripper can be attached to a standard farm tractor of the Farmall type. Each stripper displaces from 10 to 15 cotton pickers, depending upon the cotton and the speed of the humans at work.

• **Migratory Pickers**—Normally the plains cotton crop is "pulled" by migratory Mexican families, who follow the opening of Texas cotton in the Lower Rio Grande Valley northwestward to the high plains, between July 1 and January. The cold winds usually drive them back south. "Pulling" means to cup the two gloved hands and pull upward, removing all the bolls in one sweep.

Stripper types of harvesters carry the entire boll, with its cotton, to the gin where by special machinery the seed cotton is removed. In other areas (the deep South), the seed cotton is removed by human fingers at the same time that the crop is gathered.

• **Burden on Gins**—Cotton picking crews in west Texas, where cold weather comes early and numbs the fingers, learned long ago to "pull" or "snap" the whole cotton bolls from the plant, and leave the process of separation to the gins. That has put a grave burden upon ginning machinery, which in recent years, however, has been equipped to handle the crop as it is delivered. A killing frost is due in northwest Texas at the end of October. This not only will remove the cotton leaves but also will enable the sun to burst open unripened bolls.

The mechanical cotton stripper is a development of the original "cotton sled," a box with a V slot which the cotton stalks entered and which stripped them of their bolls—open or green. Later refinements, which would thresh the open bolls and separate their lint from the better cotton obtained from the open bolls harvested at the same time, are not permitted on the cotton strippers at this time because of material shortages. When these are permanently added, it is not unlikely that west Texas cotton will become one vast mechanized operation from planting with four-row equipment to mass cultivation and mass harvesting.

• **Cleaned by Machine**—West Texas gins for years have been equipped with special cleaning machinery which improves the grade but damages the staple length because of the need for much extra beating of the cotton to remove the dirt, leaves, bits of stem, and other trash. In spite of all these factors, west Texas cotton before the war enjoyed an extensive export trade with Japan, Germany, Italy, and some other nations needing short staple of a hard, wiry type produced under the difficult climatic conditions of the west Texas plains.

Oil Seed Tested

With imports eliminated, experiments with cultivation of flower seed for edible oil are under way in six states.

Experiments with sunflowers as a source of edible oils were carried out in half-dozen midwestern states this year. Destroyed by Insects—Preliminary results were not encouraging, although a trial of production tests is still being completed. Insects destroyed 50% of the plants set out at the Kansas Agricultural Experiment station at Manhattan, and similar inroads were made in test plots in Ohio, Indiana, Iowa, Missouri, and Illinois.

Four varieties of seed were planted, including early-maturing types from Canada, where cultivation of sunflowers is already a small but thriving industry, and from Russian strains. Sunflowers are grown extensively in Russia, and production has increased greatly in recent years in Argentina where 1,300,000 acres were planted in the 1940-41 season.

Oil Yield 22% to 32%—Insects cut the heads of half the plants set out in Manhattan and maggots damaged them in early varieties. Yields were low in Mennonite, first of the Canadian varieties to mature, but harvesting of the others will be completed and seed samples forwarded to Washington for tests. Oil content of the seed ranges from 22% to 32% for food or technical purposes.

Chief commercial use of sunflower seed in the United States has been as an ingredient of scratch feeds for poultry, and sunflowers serve as a silage crop in the northern part of the United States and in Canada where summers are short and temperatures too low for corn. Although higher in protein and oil than either corn or wheat, sunflower seed is too high in price to make up more than a small part of poultry feed. In Missouri, Illinois, and California produce 95% of the crop for this purpose. Binder or Combine?—Difficulty in harvesting is an objection to growing sunflowers for silage, but the corn binder has been used where plants are not too tall; otherwise, harvesting by hand is necessary.

The combine is the only practical means of harvesting the crop on any scale except small patches, Canadian farmers have learned. They found the use of grain binder and threshing machine methods too laborious. Sunflowers for seed generally are harvested by hand in California, Missouri, and Illinois just before seeds are ripe enough to shatter.

Imports Slumped—For the five years prior to 1936, sunflower oil imports to-

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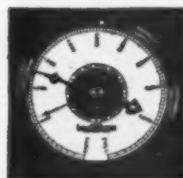


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tailed 120,000,000 lb., of which 75% was edible, but shipments have fallen off rapidly since. Only 172,000 lb. of edible oil were imported in 1937, a few thousand pounds in the following year, and none in quantities large enough to record in 1939. Largest importing year was 1935 when 37,250,000 lb. were received.

Beans or Peas?

It seems people like dried beans the best, but peas are in better supply, so WFA backs peas—and gets set for kicks.

The War Food Administration is getting set for repercussions certain to follow its attempt to get people to switch from dry beans to dry peas during the coming year.

• **Surplus Is in Peas**—Administration experts explain that the beans and peas are "nutritionally substitutable," but that the Army and Navy seem to prefer the beans. However, farmers undershot the bean goals and overshot the pea goals this year, so there's a thumping surplus of peas.

Some people say the real reason for the attempted dietary switch is that WFA is having to pay a subsidy on beans (estimated at \$10,000,000 to ease the squeeze between producer and consumer prices), whereas it pays no subsidy on peas.

• **Considerable Debate**—Whatever the reason may be, WFA is planning no increase in 1944 bean goals but would up

the pea goals even though this adds to the pea surplus. Bean growers say they didn't meet the 1942 goals because government support prices were announced too late in the season. One explanation is that the WFA didn't want growers holding back 1942 harvest in order to sell them later at the higher 1943 prices.

The war has boomed both beans and peas to yield farmers an estimated total of more than \$100,000,000 this year compared with less than half this amount before the war. Production of dry beans has increased from an average of 325,000 bags of 100 lb. each during 1932-41 to an estimated 22,975,000 bags this year; dry peas, from 2,617,000 bags to 9,458,000.

• **Beans Aren't Just Beans**—There are more or more recognized classes of beans, peas, and considerable rivalry between classes—as between the pea beans of Michigan and the small white of California.

When the growers of colored beans in the West complained the government was favoring the whites of the East, the government quickly shifted the balance. There is also the argument as to whether black-eyed peas are beans or peas.

• **All the Varieties**—Lumping all together, the WFA comes up with a 3,300,000-acre bean goal to include red kidneys, pea, and medium whites of New York; the pea, medium whites, cranberries in Michigan; the great northern of Montana, Idaho, Wyoming, Nebraska; the pintos of Colorado and New Mexico; and the limas, baby lima, blackeyes, small whites, and pink California.

The goal for dry peas is 875,000 acres



MILLIONS IN MILO

Because elevators are loaded to the gills with government grain, Texas farmers must store feed harvests of milo on the ground. The grain sorghum is equal to corn in feed value, brings \$35 a ton. Virtually all Texas

milo this year—500,000 acres—is the Martin "combine" variety which machine-harvested for \$2 an acre, compared with \$12 for ragged species formerly grown (BW—Mar. 20 '43, p. 10). Drought, however, has cut the yield to less than a ton per acre (25 is average), and the value to \$13,300,000

CONTROL



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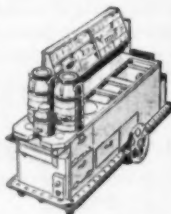
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grown principally in Washington and Idaho. Of these alone, there are ten designated smooth and wrinkled classes, such as Alaska, Scotch Green, White Canada, First and Best, Marrowfat, and the like.

• **How Many They'll Feed**—Federal statisticians figure that an acre of beans will meet the requirements of 4,763 soldiers in a given period, but only 1,155 sailors "because of the more frequent appearance of this food on Navy menus." An acre consigned to lend-lease, they add, "will serve beans for one meal to 6,062 Polish refugees, Yugoslav prisoners of war, or Greek civilians."

More Grape Jam

Federal control stirred a row among Concord growers, but it has assured a greater quantity of grapes for processing.

If you can't buy grapes, you'll get more grape jelly, juice, and jam. People's eagerness to buy any kind of fruit they could find threatened this autumn to leave too few Concord-type grapes for the normal processing demands. The War Food Administration was alarmed because there's a shortage of other bread spreads, and any aggravation of the shortage would interfere with increased consumption of enriched bread which has got to play a big role in civilian winter diet.

• **Growers Angry**—The first federal control of Concord grapes (BW—Aug.28

'43,p110), however, raised a storm in Michigan that's only now subsiding. Soon all the crop will be in and growers can start tallying up. Some of them are angry, but processors are relieved. Probably the public will be, too.

Before any but the early types of grapes were ripe, word got around that a government order was coming that would forbid all sales of Concord-type grapes except to a processor. On Sept. 20, this order went into effect in specified counties in five states, but meanwhile growers tried to sell all they could at prices that ranged from \$100 to \$160 a ton, delivery to be made later. Real tape held up the government plans for a few days, so it wasn't until Sept. 24 that a ceiling of about \$75 was put on grapes for jelly and Sept. 29 when the top price for table grapes was put at \$90. Nobody knows how many carloads of fruit escaped control, but it wasn't enough to make growers happy.

• **60% for Processors**—Normally most of the harvest goes to processors, inasmuch as Concord grapes aren't considered the best table fruit, but this year's demands by the public for fresh fruit made WFA willing to set aside only 60%. To simplify administration, it named certain counties where growers had to sell to processors and left other counties free to choose their markets. Kent County, Mich., raises 1,000,000 lb. of grapes and caused a fuss because it was restricted while adjacent Ottawa County was free to sell grapes to anyone, even to Grand Rapids which is in Kent County. That's been ironed out by releasing Kentish grapes.

New York and Pennsylvania weren't



BACK SAVERS

Homemade weeding platforms are saving plenty of backaches and boosting the efficiency of women field hands now replacing men at a West Coast tree nursery. Requiring only

four bicycle wheels, a few lengths of strap iron, and 2x4's, they cost only \$17 each. Forest Industries Nursery, Nesquehally, Wash., uses three of the platforms which are merely pushed along astride the seedling rows as the weeding progresses.

San Francisco to Salamaua



ROHR equipped Navy Consolidated Coronados flown under contract by Pan American to outposts of attack.

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Business Week • October 16, 1943

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Illustration shows Baker Fork Truck wheeling a Ranger "12" into the shipping lines. Wrapped in moisture-repellent Plio-film, each engine receives a last minute check before being sealed and delivered to the Armed Forces of the United States.



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much upset. They've usually sold most of their crop to processors (Chautauque region, 98%) and already had the marketing facilities, transportation, and canning factories. In some places, Michigan, lack of facilities caused financial losses to growers. Arkansas was let out of the order because its grapes were already picked. Ohio and Washington had their troubles. Some wineries hoped for an early frost (that didn't come) because it would give them fruit that wouldn't do for processors.

• **Packaging Cost High**—Once the O.P. price lid was on, growers weren't eager to sell in the open markets because the actually higher price didn't net profit due to costs of packaging. Baskets and labor, of course, are scarce. Under the order they can still sell dribbles of 100 lb. on the fresh market.

Fertilizer Is Richer

Greater nitrogen content is allowed because bombing war involves less drain on nitrates than a shooting war.

Because this has become a bombing war rather than a shooting war, there's going to be more fertilizer next season for U. S. food crops. It will be a more concentrated product, too. The 1942-4 period saw an all-time high consumption of more than 10,000,000 tons of commercial fertilizer in a year when manufacturers got no imports of materials from Europe, faced ship shortages for Chile's nitrate of soda, had to hunt for labor and railway or truck transportation, and were obliged to cut nitrogen content to 80% of usual formulas. The autumn Army Ordnance is to supply ammonium nitrate in such quantities that high nitrogen formulas can be employed again.

• **Ammonia Is Cheap**—When the U. S. got into the war, Ordnance began planning for a big supply of ammonium. Ammonia is needed for powder and explosives, not because it necessarily makes the best but because it's cheap and quickly made. So a very large part of ammonia's commercial production was taken for military use, and, for a time, nitrogen solutions could be used for fertilizers. New ammonia plants, meanwhile, were being built by the Army and, in Canada, Britain was building others.

But the war didn't turn out to be as demanding of nitrogen as expected. Bombs didn't require propelling gun powder; nitrogen plants in England escaped damage in the German raids; ammunition was not used by the artillery at nearly the expected rate. So WPA and the War Food Administration, unable to get all the sodium nitrate they

wanted (Chile is actually east of the Panama Canal and a southern detour for ships returning from the Pacific war areas), saw a way to save shipping. It was a way that would secure more fertilizer, too. It was a fervent request to the Army for its surplus ammonium nitrate capacity.

Tar and Feathers—Ammonium nitrate (not to be confused with ammonium sulphate) as a source of nitrogen is a new material to the agricultural industry. Methods of treating it were not familiar. It caked, for instance, or liquefied in excessively humid areas and simply ran away. This was an important drawback since 50% of our commercial fertilizer is sold in the humid states of North and South Carolina, Florida, Georgia, and Alabama. So a "tar and feather" process was developed. First the stuff is made into granules, then each ball is coated with a moisture repellent, then it's dusted with a powder. Packed in waterproof bags, the new nitrogen carrier became easy to handle.

Warehouses for fertilizers are scarce as they are for most other things (BW—Sep. 11 '43, p. 29), but farm barns and sheds are plentiful. So WPB stepped in and told the fertilizer industry it would have to eliminate the peacetime production peak that occurred every spring. These peaks used twice as many men, jammed warehouses, and clogged transportation facilities. Instead, makers now take about the same amounts of materials each month, process them, ship fertilizers to dealers or to government distributors, and spread the load over twelve months. WFA is helping by a campaign urging farmers to buy and use fertilizer at times when they usually haven't. In freezing climates, of course, it will have to be put in the barn until spring.

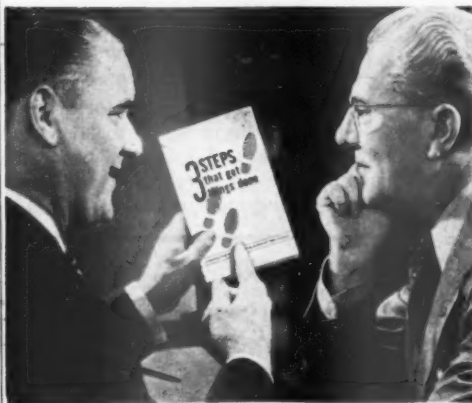
Depends on Imports—Quality fertilizers still go to "A" crops—potatoes, vegetables, hemp, peanuts, and sugar beets for seed. With more nitrogen as well as phosphates available (potash will be down somewhat), there ought to be more tonnage in these groups than last season. The total supply of nitrogen for 1943-44 is anybody's guess, since it depends on how much Chilean nitrate comes in. Last year we used 1,000,000 tons of nitrate (160,000 tons of nitrogen) from this source which was an all-time high.

The industry and dealers are looking forward to a big year. Farm incomes have gone up about 80% since the war began, but the prices of fertilizers are only some 15% above 1910-14 levels. With food prices high, and everyone seeking a high yield per acre, the market is certain to expand. The U. S. had about 364,000,000 acres under cultivation this year, of which one-sixth were enriched by commercial fertilizer. WFA hopes to increase total acreage 16,000,000 next year.

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BW 11-13

MARKETING

Statistical Bronco

WFA runs into difficulty trying to get full production of vital vegetables and still hold down the cost of living.

Indecision over price ceilings for 13 major fresh vegetables (BW-Oct.9'43, p5) illustrates a conflict that is rapidly becoming a thorn in the flesh of government economists:

(1) There's small reason to put hard-and-fast ceilings on luxury items that aren't bought by low income groups, consequently make little difference to the cost of living of the masses. (Buying of luxury items can, in fact, sop up extra income that might otherwise compete for meat and potatoes.)

(2) Yet unregulated prices of luxury vegetables mean diversion of acreage and of manpower that should, to keep up the supply of vital foods, be planted to beans, tomatoes, sweet corn.

(3) One answer would be to let prices of vital items rise while sitting on the luxury lines, but the Administration is dead set against that because it would increase the cost of living; another would be to roll back prices of luxury vegetables so that vital crops, relatively, would be able to compete successfully for acres and farmhands.

• **Theory of the Case**—It may be argued convincingly that the prices of five-figure fur coats and jewelry must be pushed down—even though they don't influence the Bureau of Labor Statistics cost-of-living index—because they attract skilled craftsmen and force manufacturers of essential consumer goods to bid up for labor, hence to require higher prices for their wares. Similarly, a rollback of artichokes and cantaloupes while allowing carrots and spinach to command a liberal fixed price would, at least theoretically, permit the anchoring of the BLS index as far as its fresh vegetable components are concerned.

But on agricultural commodities there is a legal—as well as practical—limit to how severely the prices of luxury foods can be trimmed. Congress has legislated to prevent the price of any agricultural commodity being fixed below parity or the top level reached between Jan. 1 and Sept. 15, 1942, whichever is the higher. It is at this point that the proposed vegetable price rollback hit a snag.

• **Plan and Its Drawbacks**—The War Food Administration's plan (supported, with the usual reservations, by OPA) was to cut the price of all fresh fruits

and vegetables back to the legal minimums, as defined by Congress, but for certain "essential" vegetables—snap beans, carrots, beets, spinach, tomatoes—the rollback was to be somewhat tempered. This way, WFA figured it wouldn't have to tell the growers twice to plant the essential foods and go light on broccoli and cucumbers.

Trouble with this scheme is that, by and large, the vegetables that WFA rates essential—hence deserving of a little extra price consideration—are naturally those which represent the whole fresh vegetable hierarchy on the BLS index. Only fresh vegetables that BLS prices are snap beans, cabbage, carrots, lettuce, onions, spinach, potatoes, and sweet potatoes. The prices for these are weighted to represent consumer purchases of all fresh vegetables.

• **An Eye to Production**—If the Administration wanted the vegetable rollback really to pull down the cost-of-living index, the answer would be to slash prices of the BLS vegetables to their legal minimums without regard to whether or not this maneuver would drag down production of essential crops. Economic Stabilization Director Fred M. Vinson was quick to grasp the fact that this would impair the whole food program.

Congress has given the Administration an escape mechanism—the provision that prices may be slashed below the legal minimums in cases of "gross inequity." If Vinson wants to take advantage of this (and fool with political dynamite), he could take a real whack at some of the more superfluous crops

PRESSING PROBLEM

Shortage of electric irons has been one of the most acute on the household front since WPB shut down on production in April of last year. This week New York housewives were cheered by news that department stores were putting a new iron on sale. Enthusiasm waned when it developed that few of the irons were available, and that these had wartime limitations. The irons—10,000 of them—had been made by General Electric, but they didn't bear the familiar trademark. They were originally made for export, and when the company was permitted to sell them in the domestic market, their voltage had to be reduced from 220 to 110. War demands held the nickel and chrome in the irons to a minimum; hence the bulk

that would make the legal minimum, or even less, on the essential vegetables look almost good.

The tug-of-war between the c. of l. index and "essential" production was by no means the only snarl that held up the ceilings (while Florida truck growers begged for guidance), but it contributed its measurable bit to the delay.

• **Broad Significance**—The tussle between the c. of l. and production isn't confined to food. It is likely to cause trouble when OPA and WPB's Office of Civilian Requirements really get going on their program to boost output of low-priced textiles (BW-Oct.9'43, p5). But, for at least two reasons, the BLS index won't cause the agencies as much statistical embarrassment in textiles as it has in food: (1) The index is much more lightly weighted for textiles than for food—hence a few small boosts wouldn't have much effect on the total cost of living; (2) Congress hasn't tied the Administration's hands on textiles.

One thing is certain: As OPA attempts to jimmy price ceilings in order to boost production of this, that, or the other essential commodity without raising the cost of living to the consumer, distributors will be squeezed even harder than they now are.

• **Two Examples**—This is demonstrated by the temporary 6% boost granted to manufacturers of men's and children's low-priced underwear. This increase is to be absorbed by distributors. And this week OPA and WFA were talking over new ceilings with orange growers, which probably will result in lowering retail prices by halving the middleman's take (BW-Sep.18'43,p98).

Distributors can take heart, however, from the fact that OPA knows that too much pressure on the middleman's margin is just about the surest invitation to



of the new model is porcelain covered—even the metal sole. The color is black, relieved by a red handle and red thumbset. OPA has ruled that the irons retail for less than \$6. G.E. hopes that the trade and the public will appreciate why the supply falls so short of the need both in quantity and in quality.

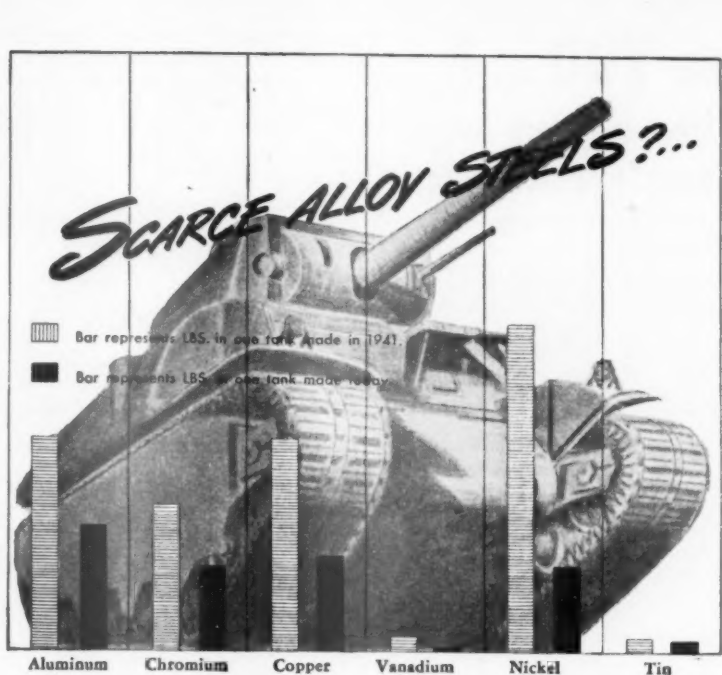
the black market, hence will confine its squeeze to lines where, presumably, there is still a little water left.

Statistical Assistance—At the same time that the BLS index was making its way for the Administration this week, it received a clean bill of health from the American Statistical Assn. Neatly timed to coincide with the A.F.L. and I.O. conventions, the association report was expected to neutralize somewhat the blasting the index gets whenever organized labor has a chance to give the works.

With a few criticisms and suggestions, notably that special indexes should be published for various parts of the country, particularly for industrial communities like the coal towns where the c. of l. has become a hot issue, the A.S.A. declared that the index does what it is supposed to do. It was found "a satisfactory instrument for measuring . . . average movements in the retail prices of goods and services purchased by city workers."

Some Shortcomings—But by its comments on specific issues, the A.S.A. tacitly admitted that neither the BLS index nor (by implication) any index can measure the full effect of war on civilian living standards. In discussing the issue which has probably produced more criticism of the index than any other—quality deterioration—the A.S.A. said this to say:

"We believe that consumers' goods and services have suffered some loss of quality that is not reflected in reported prices. No dollar value can be put on this loss. In large part it is an intangible and unmeasurable element of the war. Consumers cannot be compensated for it. The cost-of-living index takes incomplete account of it."



GAS heat-treating

helps save them for the war jobs they have to do!

Not many people realize the extra values contributed to the war effort by Gas in ordnance manufacture alone.

For instance, after Pearl Harbor "priority metals" came into the war picture with a rush. They were controlled, allocated, measured out sparingly. Still there were not enough for all the alloy steels needed for armaments. Something had to be done.

That's when Government ordnance men, working with metallurgists and engineers in industry, developed refined heat-treating processes to permit use of metals of lower alloy content—saving nickel, copper, aluminum, chromium, vanadium.

The chart shows the enormous

savings made in critical metals as a result of this single contribution in which Gas plays so important a part . . . to say nothing of the job Gas-fired equipment and engineering have done in heat-treating and heat processing other munitions and ordnance equipment for which Gas has been specified.

From today's war production accomplishments are coming lessons to all branches of the metals field in new ways to use Gas for speed, economy, greater product uniformity and conservation of vital metals.

AMERICAN GAS ASSOCIATION
INDUSTRIAL and COMMERCIAL
GAS SECTION
420 LEXINGTON AVENUE, NEW YORK

CBS CASE DISMISSED

Columbia Broadcasting System officials were not vastly relieved early this week when the federal court in Chicago dismissed the government's antitrust case filed against CBS, which was filed, along with those against the Radio Corp. of America, and the National Broadcasting Co., in December, 1941.

Since a Supreme Court decision last spring confirmed the authority of the Federal Communications Commission to rule on business practices of the chains (BW—May 15 '43, p90), the Chicago court dismissed the case for lack of jurisdiction, stating that the FCC was empowered to apply a remedy in the case. For the same reason, CBS was neither more nor less free from such regulation than it has been since May when FCC jurisdiction was upheld.

No decision was delivered in the RCA-NBC case since charges included those arising from joint operation of its Red and Blue Networks, and the sale of the Blue to Edward J. Noble (BW—

THE TREND IS TO GAS

FOR ALL
INDUSTRIAL HEATING

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taking on more work,
bigger responsibilities,

as war needs cut into
business
personnel?

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Aug. 7 '43, p. 78) was not approved by FCC till later this week (page 7).

The transfer of the Blue likewise is responsible for the Mutual Broadcasting System's request for a dismissal of its antitrust suit against RCA seeking damages of \$10,275,000 on the ground that restrictive contracts by NBC with local stations denied Mutual an equal opportunity for business.

WJZ Moves In

Blue key station works out deal with OWI which permits it to move transmitter closer to New York.

Back in the thirties when the big clear channel broadcasting stations, operating then as now on a maximum power of 50 kilowatts, expected the Federal Communications Commission to authorize a ten-fold increase in power for a dozen or more of them in the course of reallocating all radio frequencies, station WJZ, key outlet of NBC's Blue Network, dedicated a new transmitter at Bound Brook, N. J. (BW—Dec. 12 '36, p. 26). That transmitter, towering 640 ft. in the air, was built to deliver a signal of 500 kw., as soon as FCC gave the green light for the other stations to use superpower, then enjoyed only by WLW in Cincinnati.

● **Thumbs Down on Superpower**—But FCC never gave the go sign on superpower; instead, it even had to withdraw WLW's experimental 500-kw. license. The U. S. Senate, acting on the complaint of small radio stations, which feared the monopolistic effect of giving so much power to so few stations, put its foot down. Superpower might insure vastly better coverage in the rural listeners, but if it would hurt home-town station owners, the politically astute senators wanted none of it.

So WJZ with a brand-new transmitter capable of operating with 500 kw. of power could never use more than a tenth of that potential. Worse than that, WJZ soon found itself competitively handicapped. Other new stations and new transmitters of old stations were more advantageously located, closer in to the New York market than Bound Brook, 35 miles away; consequently, operating with the same strength of 50 kw. or even less, they were able to deliver a stronger signal.

● **Frozen—and Thawed**—Something had to be done, but partly because Bound Brook had always been the home of America's second oldest station and partly because moving a transmitter is an expensive undertaking, WJZ hesitated. And while it hesitated, the war came, and that meant that WJZ was virtually frozen in Bound Brook for the

WJZ's 640-ft. steel tower, built 1936 as a superpower transmitter operate on 500 kilowatts, uses only because the Federal Communications Commission never authorized superpower broadcasting. Next year the transmitter, like those of other New York stations, will be moved to the metropolitan area.

duration, for the vital materials that would be needed in any relocation just wouldn't be available.

But WJZ found a way out. It found that the Office of War Information anxious to put up four new short wave stations, was interested in locating them at Bound Brook, where two other short wave stations, WRCA and WNBI, belonging to the Radio Corp. of America, were already being operated. So a deal was concluded, by the terms of which OWI will get the buildings in which WJZ's transmitting equipment was located and will pay for dismantling the transmitting tower and part of the cost of moving it to Lodi, N. J., twice as close in to New York.

● **More Strength Where Needed**—The about the first of next year, WJZ will put into service a temporary 10-kw. auxiliary transmitter at Lodi, to operate while the main transmitter and such of its critical materials as can be salvaged are moved to the new site. It will be at least two months more before the main transmitter can be moved. The ground system will have to be dug up and replanted because new copper wire is as unobtainable as is steel for a new tower. But when the job is done, the station will have more than doubled its audience in the 25-millivolt contour, the area of strongest reception.

Blue engineers report, in fact, that when the transmitter is moved, the 25-millivolt contour will encompass 10

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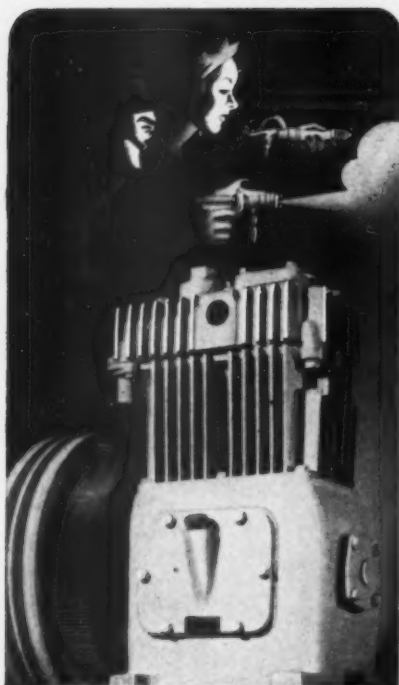
Valves are so important in mechanized war that it takes tremendous capacity to keep pace with the increasing demand—and production at Crane Co., the world's largest maker of valves, has been stepped up to fill the nation's needs.

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COMPRESSORS



When WJZ moves its transmitter from Bound Brook, N. J. (star on map) to the Lodi (dot) location, the radio trade expects time salesmen to capitalize on the improved reception afforded listeners in the densely populated New York area within the 25-

millivolt contour. Broken lines show contours measured from the transmitter's old location. Contours below two millivolts are not shown although reception is satisfactory in the secondary area where signal strength of 0.5 millivolts or less is received.

366,000 people, while it included only 4,733,000 with the transmitter on the old site. Within the still stronger 50-millivolt contour, there will be approximately 8,000,000 people, while only about 500,000 were covered before.

More importantly, WJZ will be better able to cope with the radio interference found in urban areas. Tall buildings, subways, traffic, and the other magnetic and noisy combinations of cities often blur out radio reception in the low-millivolt contours which provide relatively good reception in rural areas and small towns.

Treasury Relents

Employers may continue paying commissions to salesmen, even though 1943 earnings have passed total income for 1941.

Just when some employers were about to face the probability of taking off their payrolls, for the remainder of 1943, salesmen who had already this year been paid more than their total earnings for 1941 (or the last bonus year ending before Oct. 3, 1942), the Treasury last week authorized employers to

continue paying salesmen commissions earned in September and October.

• **Only a Stopgap**—While this ruling serves only as a stopgap for a permanent settlement of the status of nonsalary earnings, business men regard the temporary order as an indication that the Treasury has sidetracked its rule of Sept. 4 requiring Bureau of Internal Revenue approval for payment of commissions in excess of those paid in the preceding year. There was, in fact, considerable hope that the Treasury would return to its original policy of approving all increases without review as long as the commission percentage was not changed.

If the bureau, which has charge of the salary part of the earnings stabilization program, does not renege completely, it is thought that review may be restricted to commissions above \$25,000 or \$50,000 only, rather than embracing everything above \$5,000. (The Treasury has delegated to the National War Labor Board, which governs wage payments, responsibility for regulating commissions under \$5,000.)

• **Big Earnings Admitted**—Salesmen, obviously, have been worried about their status, and they have been expressing it in an unprecedented series of meetings—with employers and with government officials. Most of them admit

Come to a State
which is

cutting taxes

The Legislature in Pennsylvania, on the recommendation of the State Administration, has recently abolished five forms of State taxes. This cuts the tax bill by forty-five million dollars for the biennium. Pennsylvania has also amended other tax laws to provide future savings to business men and other taxpayers, and has put employers' payments for unemployment compensation on a merit rating basis. The State budget is balanced, with a good surplus.



State officials in Pennsylvania recognize that, to the companies within its borders, taxation may be the difference between profit and loss, and to its citizens it may be the difference between a good job and a mediocre job, or no job at all.

These tax savings have not been accomplished through any stroke of luck . . . they are the result of rigid State economy and "good house-keeping." They are also a result of the State's efforts to help business in Pennsylvania to operate profitably and to find good markets.

Pennsylvania is leading the nation in the output of more of the critical war materials than any other State. It is far out ahead in

practical, self-supporting plans for cooperation with business men in the years just ahead.

If that is the kind of working and planning YOU think a State should be doing for its people and its businesses, perhaps you would like your plant in Pennsylvania. Write or wire the State Department of Commerce, Harrisburg, for information on available plants, sites, labor supplies, equitable taxation, proximity to markets, etc.

Department of Commerce, Harrisburg, Pa.

Pennsylvania

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Secretary of Commerce

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frankly that they are earning far more in commissions than in prewar years, capitalizing effortlessly on over-the-transom orders and frequently deriving additional income from new accounts taken over from brother salesmen in the armed forces. But such easing of their lot does not justify restriction of their wartime earnings, say the salesmen. They agree to a nonsalary basis of compensation, they argue, knowing that there will be good times and bad times, and since they weren't subsidized in the lean years, why should they be penalized now?

In general, employers back up the salesmen. Corporate earnings are adapted to increased commissions, bonuses, and other nonsalary payment; and most employers would rather pay their salesmen than the income tax collector. Besides, they don't like to think of the repercussions on esprit de corps if they come up against hard times and low earnings on commission again.

• **Employers Differ**—Some executives vehemently oppose any compromise with the Treasury ruling; others have a solution tailored to fit their particular company. A proposal which would rule out excessive commissions on government business when costs are figured in contract renegotiation is gaining acceptance among employer-executives.

The Treasury, obviously, is in as great a dilemma as paymasters have

been; about the biggest strain has been trying to correct the misapprehension that it intended to freeze salesmen's commissions. The rule provided for review of all increases, to give the Treasury opportunity to disapprove excessive commissions on huge war sales.

Ceilings Pierced

Detroit court approves sale of machinery at prices above ceiling, and OPA considers appeal in defense of its power

An appeal was pondered this week by the Office of Price Administration against the ruling of a Detroit court who confirmed a sale of receiver assets at above-ceiling prices and criticized OPA's objections. In approving disposal of much of the \$250,000 receivership assets of machinery of Leisner Mfg. Co., Circuit Judge J. A. Miller ruled that Congress did not intend to give OPA power to interfere with state court judicial sales which passed the Emergency Price Control Act. To find otherwise, he stated, "would be to impute to that body a most amazing lack of consideration for states' rights and a most glaring ignorance of what is right and the orderly conduct of judicial proceedings."

• **Court Sales Exempted**—OPA regulations exempt most court sales from price ceilings for two reasons—a judge can't be expected to dig into ceiling price schedules when he has a sale, and court sales don't materially affect the cost of living.

But in the Detroit case, the assets sold were machine tools and machinery which comprise the sole exception to the loophole existing for court sales. However, said Judge Miller, "there is no statute, no act of Congress, known to this court, which gives to the OPA any jurisdiction over the sale of property which is properly in the hands of officers of this court."

• **Rush of Sales?**—This new version of the old states' rights controversy may provide temporary minor price administration problems if the precedent widely followed. Marginal machine shops are beginning to collapse into receivership at a time when demand for metal-working equipment is being maintained. A movement to above-ceiling sales might precipitate fierce bidding for scarce machinery until the anticipated widening of supply occurs.

Under Michigan law, an appeal must be taken from a circuit court decision to the State Supreme Court. Although OPA is not an active participant in the case, it intervened in the proceedings and hence has appeal rights.

Control Problems Wanted!

IN COOPERATION with the technical agencies of our armed services and those of the United Nations, as well as many aircraft manufacturers, Minneapolis-Honeywell engineers have developed and are producing a number of important new "Aids to Aviation" . . . M-H Aeronautical Controls and Equipment, such as the famed Automatic Pilot, developed and manufactured exclusively by Minneapolis-Honeywell, are in daily use in every war theatre. When the time comes, Minneapolis-Honeywell will be ready for peacetime aeronautical problems. We therefore invite your future control problems on the basis that we have proved both our engineering and our manufacturing ability and can obviously help you with your future plans. Minneapolis-Honeywell Regulator Co., Aeronautical Division, 2728 Fourth Ave. South, Minneapolis 8, Minnesota . . .



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LABOR

Why Women Quit

Survey shows difficulties of holding them on job as war multiplies turnover problems that ran high in peacetime.

Despairing of finding male labor in the manpower-shortage areas that are centers of war production, service and trade establishments are demanding government assistance in getting women to take jobs.

Loudest calls come from restaurants and laundries, but the lineup includes almost every type of store and warehouse, plus hotels, office buildings, banks, utilities, and transportation services from taxicab lines to the railroads, which want 100,000 women on their payrolls by the year's end.

• **How to Keep Her?**—However, they are all up against a double problem in the fact that it is one job to get a woman worker and another to keep her. Indeed, the turnover problem of female labor is, in many places, more serious than that of original recruitment.

This is, of course, most notably true in the war plants. For every two women hired for war production work in labor-shortage areas in June—latest month for which data are available—one other woman quit her job.

• **What the Figures Show**—The figures revealed in a War Manpower Commission survey of 16,600 war plants with a total payroll of 13,400,000 were: hiring rate, 11.6% of total female employment; quits (including only those who left their jobs voluntarily) 6.2%, or 248,000 of a total female employment of 4,000,000.

Comparable figures for male employment were: hiring rate, 7.3%; quits, 3.9%. Even separations—the term covering those separated from their jobs for any reason whatever—ran higher for women than for men in these plants, despite the fact that, for men, the separation rates included those called up for military service. The comparable figures were 7.9% for women, 6.6% for men.

(Incidentally, to show how abnormal these wartime rates are, the 16,600 surveyed plants reported for June, 1943, total quits of 4.6% and total separations of 7%, as compared with Bureau of Labor Statistics 1935-39 June averages of 1.04% quits and 3.9% separations for all employment.)

• **Why Women Quit**—Although no statistical breakdown of turnover by sex was made prior to the war, it is an

accepted fact that quit rates for women have always run higher than those for men. Marriage, maternity, or other changes in the family status have always been responsible for many women's leaving their jobs. They are still to be reckoned with in these wartime quit figures, for marriages and births are on the increase.

Then, too, women are sometimes secondary sources of income in a family, entering the labor market when the income of the major wage-earner is cut off or is inadequate. When the major wage earner is once more able to supply the necessary income, the woman worker often leaves her job. This, too, is happening to some extent today.

• **Wartime Reasons**—However, specifically wartime reasons for leaving the job show up importantly in the information obtained from war plant exit interviews. For instance, a service man is transferred from one camp to another—and his wife quits her job, packs up, and goes to live near him.

This, together with marriage, birth, or family illnesses, is one of the group of "personal" problems which the War Manpower Commission considers the most important in women's decisions to

leave their jobs. Also in this group are household burdens, acting especially on women who have had no previous experience in the labor market, or have no financial incentive for working.

• **"Community" Problems**—Just as important as these personal problems are the "community" problems which confront women working in labor-shortage areas. Inadequacy of child care is one of the reasons most frequently given for leaving the war job. Transportation and shopping difficulties are other reasons women get tired of standing in line to get a bus or street car, or to purchase their groceries during the evening rush after work.

In-plant problems are less important. For instance, little dissatisfaction with wage scale is reported for women who quit their jobs. Nor is there any general feeling that they were unsuited to plant work. However, long work hours may be a frequent excuse for quitting since they are so closely related to personal and community problems which get in the way of jobs.

• **Plus Replacements**—If all these causes are permitted to add up to a probability of one woman's quitting for every two hired, it is easy to see what will happen to WMC's estimate of 1,400,000 as total number of women who will have to be brought into the existing female labor force in the year ending June 1944.



MILK BY TAXI

Wholesale customers carted their own deliveries by taxi, and 400,000 homes went milkless in New York last week as dairy drivers and pasteurizers reported "sick" at the thought of 958 layoffs and job transfers at Borden and Sheffield Farms plants. It was a new strike technique, aimed at the

government's gas-saving, skip-a-day delivery plan which also prompted walkouts in June. The National War Labor Board, whose authorization of personnel cuts prompted delivery men to join the "sick" list, cured the "epidemic" within four days. Medicine threatened to cancel the system of benefits it had ordered for discommoded employees (BW—Oct. 9 '43, p. 101).



THE *PADDED CELL* THAT'S DRIVING NAZIS CRAZY

YOU'RE LOOKING at a self-sealing fuel cell...the type that's lodged in the wings of our hard-hitting combat planes.

These gasoline containers—lined with several layers of natural and synthetic rubber—are the despair of enemy fighters. When pierced by a bullet, the chemical reaction of gasoline to the natural rubber sealant causes them to seal and heal on the spot.

Important to the construction of the self-sealing cell is its outer layer, or retainer. It is made of *rayon* impregnated with rubber...the same *rayon* that is used in the treads of the plane's tires. The primary purpose of the

retainer is to lend strength and protection to the cell as a whole—*rayon* was chosen because of its proven qualities of toughness and durability.

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...but I do like to work in comfort"



"Sure you like to work in comfort, Mabel," answered the foreman, "and you've got somethin' there. You're doin' a man's job, and workin' a man's hours, aintcha, sister? Sure... and you're *rugged*, you are. But nobody wants to work in a place that's about as warm as a Siberian icehouse, when you don't have to.

"Yep, the kind of heatin' the Old Man had 'em put in the plant is goin' to feel pretty good this winter. Besides, we've got a lot more gals workin' here now. And most of 'em are built kinda different than you, Mabel... more streamlined... not quite so rugged. Not meanin' to criticize your type, Mabel.

"We've got to keep 'em *healthy*! 'Comfort is only one angle,' is what the Old Man says to me, the day they put in the Modines. He's smart... the Old Man is."

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UNIT HEATERS

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Negro Plant Pays

Simplex Radio's experiment gets out of red ink months ahead of schedule, and production has consistently topped goals.

Racial discrimination is an issue which Negro leaders have been agitating with tangible results since manpower shortages first began to pinch (BW-March 9, 42, p70). Plenty of jobs are available to them now: Foundries are fairly begging for Negro males to accept high wages in hot work; housewives offer what they consider exorbitant pay (\$25 a week and up in larger cities) for domestic work. But with few exceptions, such as the establishment of all-Negro ways by Simplex Shipbuilding & Dry Dock Co. (BW-July 17, 43, p92), complaints have continued that the Negro, regardless of individual merit, tends to be frozen at a pay level near the bottom of the scale.

• **New Plant Set Up**—When the issue of employing Negro workers was presented to Simplex Radio Corp. of Sandusky, Ohio, a Philco subsidiary, about a year ago, its executives decided to try a solution tailored to button up complaints of "job freezing." Instead of hiring Negroes in the existing plant, Simplex took over an abandoned factory in another part of town, remodeled it, and set up an all-Negro plant.

Only one white person has anything to do with its production, the plant manager, William Wright. Five other whites are on the payroll, but their duties are isolated from production lines.

Most of the workers—there are fewer than 200—are women. Male employees include the production superintendent, chief engineer and two assistants, two clerks in the receiving room, one in the tool room, and a materials expeditor.

• **Expectations Bettered**—The experiment has been proved in production records, according to Wright. Ever since the plant began operating, in April, its output of a restricted electrical device has been reported ahead of schedule, and although the plant ledger wasn't expected to show a profit until 1944, the company reports it crossed the profit line in August. Wright can see no reason why it shouldn't continue to stay on the profit side indefinitely.

Attendance is cited as another indicator of satisfactory operation. Both excused and unexcused absences are considered absenteeism, which has been averaging as little as 24% and 3%. The feeling of team work which Wright holds is responsible for this record is cultivated through an employees' choral society, noted locally for its music, an activities committee, suggestion box, and a labor-management committee. The plant is small enough, Wright said, to

on occasion as "one big com-
ee."
Cited—Personnel records
that 25 technicians, supervisors,
workers in the new plant are col-
trained. Production superintendent
Ridley, who attended Harvard,
ran a contracting business of his
in Florida and did supervisory work
in the Army's Erie Proving Grounds be-
fore he joined Simplex.

William Derrick, chief engineer, grad-
uated from Howard, was a member of an
electrical engineering partnership in
Washington, formerly on the design
staff for the National Advisory Commit-
tee for Aeronautics' engine research labo-
ratory in Cleveland. Personnel director
M. Wilson, also college trained, has
background of twelve years of public
school teaching and, as an active church
member, "knows all the Negro people in
the area."

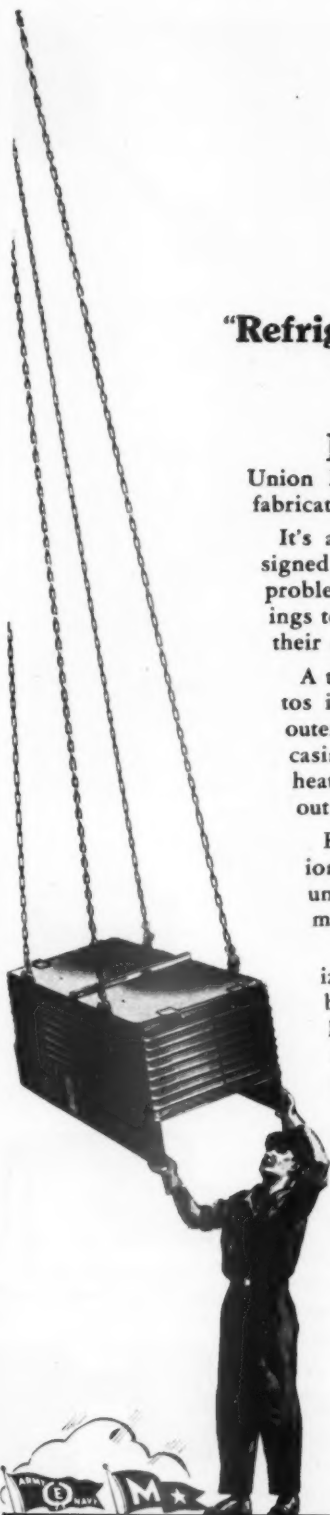
Same Basic Pay—Wage rates at the
Simplex plant follow exactly those
established in the company's other plant,
Derrick explained. Base rate for women
is \$4 an hour and 70¢ for men. Work-
ers in the new plant have lower average
wages than their fellow-employees in
the older plant only because they haven't
yet established the seniority necessary
to be upgraded into the highest wage
category.

Formal collective bargaining hasn't
yet been established, although efforts
have begun to organize a plant unit of
the United Electrical, Radio & Machine
Workers Union (C.I.O.) which has a
contract with the older Simplex plant.
Derrick said other firms be tempted to emu-
late the Simplex scheme, however, it
must be noted that some Washington
officials regard it with disfavor. Mem-
bers of the Fair Employment Practices
Committee (page 100) who have the job
of breaking down race discrimination
barriers in the labor market express the
view that a policy of segregation sets a
pattern unsatisfactory to Negroes. They
accuse Simplex of dodging the discrimination issue and
encouraging a trend to all-Negro locals in
the area. They are also worried about the
future of the Negro factories that would
be set up now; they might well be the
first to close when the war boom comes
to an end.

THE THIEF "ARRESTED"

A ten-minute overlap in work shifts is
Marinship Corp.'s answer to time
wastage at its Sausalito (Calif.) yards due
to lag at shift changes and mealtimes.
The contest among employees adduced the
winning suggestion that workers
report on the job ten minutes early and
remain ten minutes after the end of the
shift—at overtime rates of pay.

The company's graphic recording
ammeter, an electrical device which
registers the amount of electric power
being used, indicated that the plant was



"Refrigerators"

for Hot Forgings

Here is another example of
Union Metal's craftsmanship in steel
fabrication . . .

It's a steel skid box especially de-
signed by our engineers to solve the
problem of what to do with hot for-
gings to keep them from flaking during
their critical, cooling-off period.

A three-quarter-inch lining of asbes-
tos is placed between a heavy gauge
outer casing and a lighter gauge inner
casing. The box can then be filled with
heat-treated metal, closed, and stored
out of the way until cooling is complete.

How much better than the old-fash-
ioned method of burying hot forgings
underground! How much faster and
more efficient!

Since 1906 Union Metal has special-
ized in developing and producing such
better products of steel . . . steel street
lighting standards, steel pile casings,
steel distribution and transmission
poles, and a complete line of steel mate-
rials handling equipment—to mention
only a few.

Right now, of course, this mastery of
steel fabricating techniques is being de-
voted 100 per cent to Uncle Sam. But
tomorrow, when peace comes, all the
skills of our craftsmen and all the pent-up
plans of our engineers and designers
again will be made available to you.

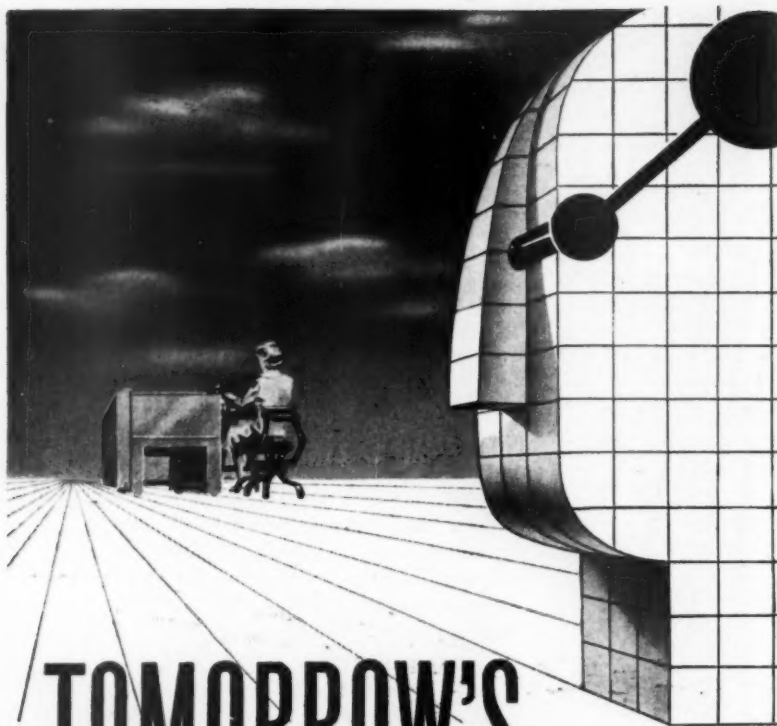
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Canton, Ohio



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UNION METAL

Craftsmen in Steel Fabrication



TOMORROW'S RECORDS

What will your records show in 194X?

Prosperity—or recession? The answer lies with you.

Now is the time for careful planning to assure your company easy, successful conversion from war to peace. That is why your records are increasing—NOT DIMINISHING—in importance. Concise, accurate records on the basic functions of your organization provide a firm foundation upon which to build a post-war program.

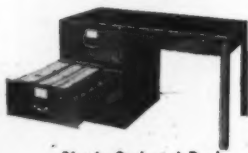
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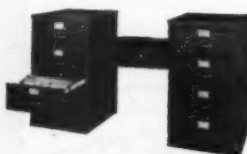
"THE WORLD'S FASTEST VISIBLE RECORD KEEPING SYSTEM"



Posting Tray (non-steel)
Capacity up to 7,000 records



Single Pedestal Desk
Capacity up to 21,000 records



Double Counter Height Desk
Capacity up to 57,000 records

losing three hours of work daily because of early quitting and late starting at lunch and shift change periods. Power consumption began to drop about 11:30 p.m., 30 minutes before the midnight change, and almost to bottom before the whistle blew. The indicator moved up slowly for about an hour after the new shift went to work, reaching normal shortly after 1 a.m.

Similar drops and recoveries were shown for 8 a.m. and 4:30 p.m., the other shift change periods. The indicated slump was somewhat less before and after lunch hours.

Detroit Stopgap

Auto capital tries a new formula of production control in relation to manpower supply and staves off more rigid plan.

Control of war production in relation to manpower was initiated in Detroit this week after tests in Hartford, Conn., and Akron, Ohio. The new method, created by WPB and operated by a so-called production urgency committee, has the full blessing of the auto industry—which sees in it a means of sidestepping the West Coast manpower referral plan and its distasteful connotations of contract stoppages (Report to Executives; BW—Oct. 9 '43, p. 1).

• **Discussed Three Days**—The Detroit committee was formed Oct. 8, when Wade T. Childress, vice-chairman of WPB under Charles E. Wilson, went to the auto city and urged top management men to back the idea. The Automotive Council for War Production, fearing still another control over factory operations, conferred three days. Then it had decided that the idea had only had merit, but also was a means of staving off the installation of manpower controls scheduled for Oct. 15. Sure enough, a 30-day postponement of job control over women and nonessential workers was granted by the War Manpower Commission. Meanwhile auto men hope to show that controlling only essential males will do the trick.

The committee will inventory contracts and subcontracts in the Detroit area and obtain schedules of manpower required to fulfill them. Worker supply will be studied. The urgency of existing contracts will then be rated, and there is more work than men, jobs will be moved out of Detroit, the least urgent first. Joseph Hutchins, regional head of WPB, is expected to take on the onerous task of determining the urgency of contracts.

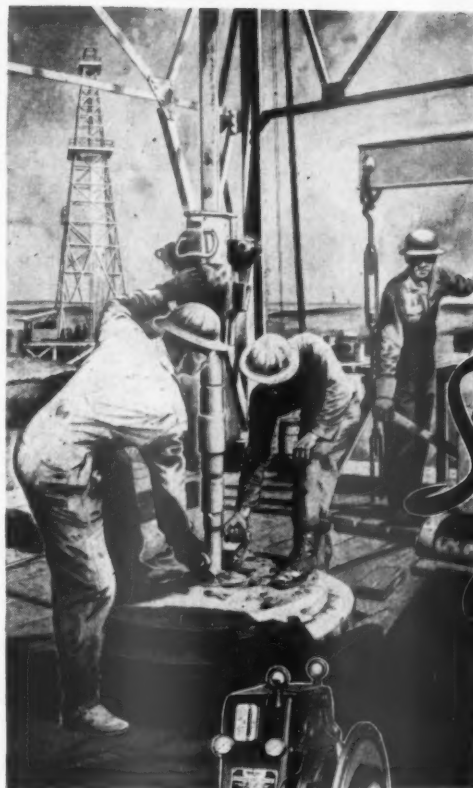
• **A Fresh Start**—In many ways, the objectives duplicate WMC functions, particularly on manpower checkups and

contract rating, the latter work having been undertaken by WMC as part of a modified referral plan begun last summer (BW—Aug. 28'43, p. 19). But WMC has been proceeding on the premise, using figures provided by the industry, that a manpower shortage actually exists, that job referral is therefore necessary. The committee is taking a fresh start.

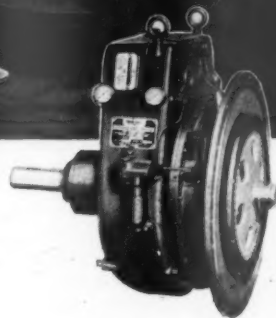
The industry obviously hopes it can give that manpower is at hand to carry out not only present jobs but also another billion dollars of contracts said to be waiting to be signed up. But the means of proving this are still nebulous.

One-Third Are Behind—Figures cited at the first committee meeting indicated that a third of Detroit area plants—not, however, producing a third of war volume—are behind schedule due to manpower shortages. Detroit's payrolls stand at nearly 700,000; another 75,000 are sought. The number of men employed has stood unchanged for a year at 500,000; increases have been solely in women workers, and they are not responding to factory calls as they did earlier. Furthermore, the draft is taking 10,000 men a month.

Detroit industry has frowned on the modified manpower referral plan in effect in the auto city practically since it began. The independent-minded Detroit factories like to do their own hiring, rather than "channeling" it through the U. S. Employment Service, and even the modified program has slowed the flow of new contracts. Several Maritime Commission jobs were steered out of Detroit because of manpower shortages indicated by referral arrangements, and, in addition, a number of contracts were not renewed when they expired, while identical jobs elsewhere were continued.



*Straight
down...*
TO MODERN TIMES



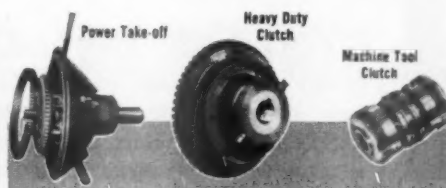
As it turned out, drilling straight down into the earth—for oil—proved the shortest road to modern times. Oil as a power source, fuel, lubricant and base for the manufacture of countless familiar things, becomes increasingly important. Skilled men who make oil available can keep up with our needs only if their mechanical help keeps pace with demands made upon it.

In the oil fields, Twin Disc Clutches and Hydraulic Drives have long transmitted and controlled much of the power operating oil well drilling machinery. Despite the merciless punishment taken by drilling equipment, Twin

Disc products have proved their worth repeatedly on the job of getting oil out of the ground. So here again, the Twin Disc Clutch Company's quarter century of experience in designing and building industrial power links makes a direct contribution to keeping living standards at the high level to which petroleum products helped raise them.

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Another Million?

**A.F.L. membership, now
at 6,500,000, surpasses
C.I.O.'s; machinists are back,
and miners can be had.**

Closing its 63rd annual convention this week, the American Federation of Labor claimed close to 6,500,000 dues-paying members—the high-water mark in its long history. It picked up more than half a million while the convention was in session, as the International Union of Machinists decided to come back into the fold after a six-month period of independence (BW—Jun. 5'43, p. 78); and it looks forward to gathering in another 600,000 when John L. Lewis brings back his miners (BW—May 22'43, p. 5).

Where Strength Lies—There is no doubt that A.F.L. now represents more

1/100 H. P.



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workers than its rival C.I.O. However, except for machinist union groups, in the aircraft plants and various A.F.L. crafts in the shipyards, the federation's real strength is still in building construction, transportation, and service industries. The C.I.O., entrenched in steel, the automobile industry, rubber, oil, and a number of plane plants, is much closer to the heart of war production.

It is for this very reason that the A.F.L. expects to see the gap widened when the war ends. The federation figures that the concentration of labor in such C.I.O. centers as Detroit and Buffalo and the concentration of employment in heavy industry will end with the peace, and that the C.I.O. organizations will lose considerably more as the economy reorients itself to peacetime conditions.

• **Lewis Issue Ducked**—The A.F.L. convention was, as it has been since the C.I.O. split in 1935, quiet, dignified, uninteresting. The most dramatic issue before the delegates was what to do about the Lewis application for readmission. The opportunity for drama was not exploited. Orderly, well-disciplined, middle-aged-and-over, the delegates referred the matter to the federation's powerful executive council. The only excitement came when Warren H. Atherton, national commander of the American Legion, taxed organized labor with not adhering scrupulously to its no-strike pledge. William Green, A.F.L. president, brought the delegates cheering to their feet with an emotional defense in reply.



INSPECTORS AT WORK

Bendix Aviation calls its new Chicago aircraft carburetor plant the world's largest, employs three times as many women as men. Rigid final

Walking on Eggs

FEPC has a backlog of 1,500 discrimination cases in the books, and settling them require diplomacy.

Although severely shaken by the recent resignation of the Rt. Rev. Francis J. Haas as chairman, the President's Fair Employment Practices Committee hopes to continue its program of preventing discrimination by employers or unions. But walking on eggs is a precarious feat, and FEPC progress is slow.

Father Haas resigned after he designated bishop of Grand Rapids, Mich., an honor bestowed in recognition of a lifetime of activity in settling industrial disputes.

• **Ross Mentioned**—Much will depend on the appointment of Father Haas's successor, but officials point out that FEPC decisions are made by a majority vote of the seven-man committee. Malcolm Ross, former information director of the National Labor Relations Board and now deputy chairman of FEPC, has been mentioned as a likely selection.

The FEPC has a backlog of 1,500 unsettled cases, and new cases are piled into the agency's seven regional offices daily. About 78% of pending cases involve complaints of discrimination against Negroes, 7% against Jews, and 6% against aliens, with the remainder

inspections (above) on the intricate injection carburetors, as well as mass production operations, are performed by girls. Even before the new plant was completely tooled up, unit production ran into four figures.

for **THIS** battle, G.H.Q.

is at **YOUR** own desk!

★ Here's how you—yes, **YOU**—can carry out a smashing "pincer movement" against the Axis. Swing on one flank with increased production of war goods! Drive in on the other with redoubled purchases of War Bonds through your Pay-Roll Savings Plan!

You're an officer in both of these drives. Your personal leadership is equally vital to both. But have you followed the progress of your Pay-Roll Savings Plan as closely as you have your production?

Do you know about the new Treasury Department quotas for the current Pay-Roll Allotment Drive? Quotas running about 50% above the former figures? You see, these new quotas are based on the fact that the armed forces need more money than ever to win the war, while the average worker has more money than ever before to spend. Particularly so, on a family income basis—since in so many families several members are working, now.

Remember, the bond charts of today are the sales curves of tomorrow! Not only will these War Bonds complement our victory—they'll guard against inflation, and they'll furnish billions of dollars of purchasing power to help American business re-establish itself in the markets of peace.

So get this new family income plan working at once. Your local War Finance Committee will give you all the details of the new plan. Act today!



This advertisement prepared under the auspices of the War Advertising Council and the U. S. Treasury Department.

LET'S KEEP ON Backing the Attack!

This Space is a Contribution to America's All-Out War Effort by

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FARQUHAR Material Handling Conveyors speed the movement of all types of materials: boxes, bags, cartons, coal, sand, gravel, stone, or chemicals. Their portability makes them useful in a variety of ways in any plant or warehouse.

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a miscellaneous collection of unclassified cases including some involving charges of religious discrimination

• **Can't Quit**—A total of 133 cases have been closed during the past two months. About half that number were satisfactorily adjusted by the FEPC; the rest were dismissed because of either lack of evidence or lack of jurisdiction. Officials are confident that the present backlog will prevent the Administration from sidetracking the agency. In other words, it can't quit.

Complaints are customarily received in regional offices where they are investigated and settled informally on the spot, if at all possible. "Tough" cases are referred to the full committee. Regional offices have been established in New York, Philadelphia, Washington, Cleveland, Dallas, Chicago, and San Francisco. Other regional offices may be established in Atlanta, Kansas City, Denver, and Boston. Subregional offices responsible to the San Francisco office may be established in Los Angeles and Portland.

• **Policy Determination Due**—Attitude of the FEPC in dealing with "tough" cases will be determined by its handling of pending charges of discrimination against the railroad brotherhoods and the carriers. The full committee soon will consider evidence taken at recent public hearings.

Meanwhile, FEPC plans to go ahead with hearings scheduled for Portland, Ore., on Nov. 15 and 16 on charges that the A.F.L. Boilermakers Union is discriminating against Negroes by requiring them to join a separate Negro local. Similar charges will be aired at Los Angeles on Nov. 19.

Boilermaker Row

International ousts Ray as head of Portland local, grown fat off Kaiser shipyards, but fight isn't over.

For several months, labor relations men on the Pacific Coast have been expecting an explosion in the internal affairs of the rich, 45,000-member local 72 of the A.F.L. Boilermakers Union in Portland, Ore., which belligerent Tommy Ray, as secretary, has ruled with an iron hand while the local grew fat on dues and initiation fees from workers in the Henry J. Kaiser shipyards.

Attempts of a rank-and-file group to oust Ray last May by electing anti-Ray officers failed because Ray refused to seat them, and the local courts have so far refused to rule on the validity of their election.

This week, officials of the international, with whom Ray has been increasingly at odds, took a hand and



DONE WITHOUT THUMBS

Curbstone hitch-hiking stations saving a lot of wear and tear on thumbs while aiding one war plane ride-sharing program at Akron, Ohio.

ousted him. Official announcement issued in Portland Tuesday did not say the charges against Ray but merely that he was being removed for "the best interests of the organization." A committee of 21 of the local's members will take over temporarily until a new secretary is installed by the international.

Ray ruled the huge local during its growth from 500 members in 1940 to its present strength of 45,000, successfully combating all opposition, and is likely to fight the international's move to oust him.

Ray sees his removal as an attempt by the international to get control of the votes of Local 72 in the international election of officers next January and get direct control of the local's treasury which has grown rich in the last two and one-half years.

The rank-and-file group that has been needling Ray for several months charged him with failing to issue financial statements, levying fines arbitrarily, calling irregular meetings, and building the "boilermakers' palace," union headquarters in Portland, without authorization.

Ray claims that an audit of the local's books, recently completed by a Portland firm of accountants, showed "everything to be in good order."

FINANCE

On Raising Funds

Last war's restrictions on corporate financing haven't been repeated, but volume of new issues still isn't large.

England has seen no flotations of any domestic corporate securities since the close of 1939. Aside from some small issues originating elsewhere within the empire, the London market has been reserved exclusively for the government's financing.

No 1918 Restrictions—That has not been the case over here. Neither has there been any resurrection of the American Corporate Issues Committee set up to supervise new market offerings during the World War. However, the underwriting houses have been doing some unofficial policing to make sure nothing disturbed the market while treasury financing was under way.

Corporate offerings, meanwhile, have been far under pre-Pearl Harbor levels. New corporate offerings in 1942 ran some 60% under 1941's \$2,619,000,000 total. The first nine months of 1943 were 17% under similar 1942 figures in dollar volume, and the number of individual offerings declined almost 40%. Last month, only \$45,750,000 of corporate securities were offered, all squeezed into the first few days of September be-

fore Wall Street began directing its sole attention to the Third War Loan drive.

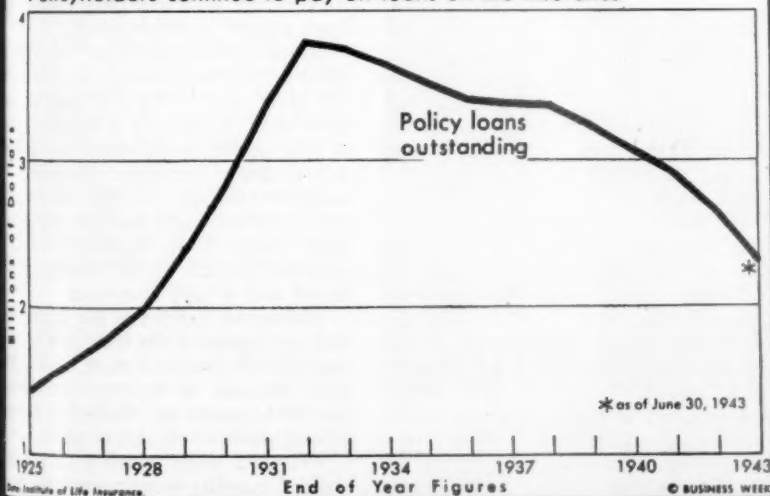
• **Brighter Prospects**—With the recent government financing out of the way, however, the same easy money conditions so conducive in the past to the refunding of securities sold previously under less favorable conditions are once again stimulating many refinancing plans. From now until government financing again occupies the spotlight (probably next January or February), a busy season for underwriting houses is indicated. October already is off to a good start. Last week's five offerings included \$23,650,000 of bonds and some 464,000 shares of preferred and common stocks, all of industrial companies.

• **Bring Two Baskets!**—However, with those issues out of the way, the familiar utility offerings for purely refunding purposes are now pretty apt to dominate the new issues market for some time. One now in preparation, the offering of \$7,500,000 Atlanta Gas Light first mortgage bonds and \$2,000,000 of preferred shares, moreover, is creating above usual interest. This is because the company, in inviting bids, has injected a new competitive bidding angle by requiring all underwriters making basket bids for the two issues as a whole also to submit alternate separate bids for the bonds and the stock.

This definite tipoff to bidders to sharpen their pencils if they wish to secure any of the business means little in itself due to the relative smallness of

OUT OF THE RED

Policyholders continue to pay off loans on life insurance



steadily declining volume of loans on life insurance policies—despite large gains in total life insurance in force—has been a conspicuous feature of the

economic scene ever since the dark days of the depression. Prosperity of policyholders is reflected in the present accelerated decline.

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that really STACK!

Strong . . . resilient . . . uniform
. . . time- and space-saving!

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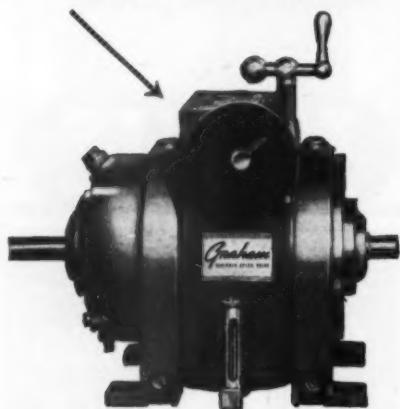
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the HOOVER name has
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in Cotton Duck and other
Heavy Cotton Fabrics,
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★ No other Variable Speed Transmission GIVES EVERY SPEED FROM TOP TO ZERO PLUS REVERSE



ONLY THE
Graham
**VARIABLE
SPEED DRIVE
GIVES YOU**

1. Not just 5 to 1 range, return to pre-set speeds. or 10 to 1, or 100 to 1, but every speed to zero, forward and reverse, without stopping the motor.
2. Full torque guaranteed over the entire speed range.
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4. Extreme compactness, all metal, self-lubricated, no belts, moderate price.

Machine designers who are modernizing for the post war market should investigate the Graham.

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the offering. Later on, however, such a requirement could assume a decidedly greater significance. If proved efficacious in securing funds at below-average cost, it might well become an accepted future practice of large borrowers and, while present cheap-money continues, mean less underwriting profits.

• **Two Nearby Issues**—Syndicates are now awaiting a signal to offer \$16,000,000 California Electric Power mortgage bonds and \$4,000,000 of preferred stock. Before October is over, too, there should be an offering of \$15,000,000 of Delaware Power & Light mortgage bonds and \$4,000,000 of preferred.

Additional candidates for nearby or fairly near-term offerings include:

Central Power & Light—\$25,000,000 of mortgage bonds.

Derby Gas & Electric—An offering at public auction of 91,577 common shares now held by the Ogden Corp.

Florida Power & Light—\$55,000,000 of mortgage bonds and debentures.

Illinois-Iowa Power—Refunding of \$70,000,000 of bonds now outstanding.

Laclede Gas Light—\$22,000,000 of mortgage bonds.

Michigan Consolidated Gas—\$40,000,000 of mortgage bonds and stock.

New Jersey Power & Light—\$10,000,000 of "new securities."

Public Service of Colorado—An offering at competitive bidding of 875,000 shares of common stock now held by Cities Service Power & Light.

Utah Power & Light—\$44,000,000 of refunding bonds.

• **Postwar Money for A.T.&T.**—More remote, but possible, is a future \$75,000,000 refunding operation by Columbia Gas & Electric as a result of the decided change for the better seen in its earnings and general situation during the last year. Some think, as well, that American Telephone & Telegraph may well give consideration soon to picking up some of the \$1,500,000,000 it is said to need to finance its postwar program.

Rail financing will likely play a minor role in the new issue market, for a time anyway. However, Southern Railway, which leases and operates the Atlanta & Charlotte Air Line Ry.—as an integral part of its Atlanta-Washington (D. C.) main line, will refund \$20,000,000 lessor first mortgage bonds, coming due July 1, 1944. Consequently, an offering of \$15,000,000 new Atlanta & Charlotte bonds (some think Southern can sell them on a 3.70% basis vs. the 4½% and 5% issues now out) should be seen soon. Refunding of \$49,000,000 Kansas City Terminal bonds before the year-end is also a faint possibility.

• **Needs Circumscribed**—It was first believed that wartime taxes, demands for heavy plant expenditures, and rising inventories would cut down cash resources of industrial companies and necessitate their use of substantial outside funds to carry on properly during the war. However, for some time, increased deprecia-

tion deductions have helped many concerns. Also, conservative dividend policies have been seen generally, and actual shortages of goods, plus government controls, have halted inventory expansion. New capital needs have been held at a minimum, too, due to official restrictions on such outlays and financing by the government, rather than individual companies, of much the plant required for strictly war needs.

Industry generally, therefore, has made little use of the new security market since Pearl Harbor. In fact, cash for months has actually been rising at an above-normal pace, and recent business, as a whole, owned 70% of demand deposits in the banks, with the manufacturing and mining groups alone accounting for over \$18,000,000,000. Where there have been money needs arising out of war business, moreover, straight bank loans, as a rule, were resorted to at first and then use was made of the special war financing medium V loans (BW—Aug. 21'43, p109).

• **And VT Loans**—The newly devised VT loans (BW—Sep. 11'43, p103) permit war contractors to arrange now for working capital needs during at least part of their postwar reconversion period. Thus far, Nash-Kelvinator (BW—Oct. 2'43, p106) and Pullman-Standard Car Co., with \$75,000,000 and \$60,000,000 lines, seem to have been the only large companies to take advantage of this type credit. However, it is likely to grow in favor.

Few large industrial financing operations, as a result, seem likely. If stockholders approve, at a meeting to be held soon, Aluminum Co. of America will increase its common stock from 1,500,000 to 7,500,000 shares to capitalize \$250,000,000 plant expansion program just completed. However it will offer this new stock to stockholders first, how much will eventually reach the open market is problematical.

• **Other Industrials**—The offering of \$60-75,000,000 of bonds by Armour Co. (BW—Oct. 9'43, p102) may be seen quite soon. McKesson & Robbins, Inc. is now asking stockholders to approve a refunding operation involving the near-term sale of 150,000 shares of new preferred, and another prominent drug house, E. R. Squibb & Sons, expected to sell 43,000 shares of preferred and 45,000 common.

Chicago & Southern Air Lines, too, has just registered for later public offering 107,989 shares of stock, and Northwest Airlines is reported considering the best means for financing its ambitious postwar expansion plans.

What is really making the underwriters' mouths water currently, however, is the thought of Niagara-Hudson Power's consolidation and capital simplification plan. If finally approved, it will mean the eventual refunding of some \$200,000,000 of subsidiary deb-

Bonuses Barred

Court enjoins E. G. Budd plan for stock options despite approval by holders, in case of few financial parallels.

At a meeting last July, stockholders of the Edward G. Budd Mfg. Co. approved a recapitalization plan (since summated), designed to eliminate accrued dividend arrears which had amounted to \$87.50 a share. With 67% of the shareholders consenting, 6% opposed, and the rest not voting, they approved at the same time management proposals for an "incentive plan" under which directors could issue five-year options to a group of 160 key men to purchase up to 300,000 of unissued common shares at a cost equal to 10% of their price at the time the option was originally granted.

Door Left Open—The bonus plan met opposition from the beginning. A few days before the meeting, Henry Holthusen, New York lawyer representing himself as one of the largest holders of Budd stock, sought a restraining order to prevent the taking of any action on the bonuses. This, the court held, would be unconstitutional, but it suggested that the plan be left inactive, if approved at the meeting, pending a subsequent ruling on its merits.

Holthusen took the case back into court after the plan was approved by the stockholders, contending that the amount of bonus to the 160 individuals should be determined by stock market conditions rather than by the extent of services to Budd. The company contended, on the other hand, that its primary objective was to induce essential workers and employees not to take better paying jobs in other industries.

Bonus Plan Upset—Judge Guy K. Anderson, in U. S. District Court in Philadelphia, last week invalidated the plan, stating that the five-year period during which the options might be exercised would permit bonus recipients to buy back their options at the original price until a rise in market value would mean profits of several hundred percent.

The court further objected that the plan did not require employees retaining them to remain with Budd any specified time and took the position that issuance of the options was tantamount to disposing of valuable assets without giving the concern any assurance of a commensurate return. Financial circles can recall few instances in which such an option plan has been invalidated after receiving the stockholders' O.K.

A YEAR AGO
SHE'D HAVE SAID

"WHAT'S A
MULT-AU-MATIC?"



Today, this girl and her Multi-Au-Matic are turning out war material faster than five single spindle machines used to do.

We are not implying that many Multi-Au-Matic operators are women. There are as yet relatively few. That there are any, however, is evidence of one more way in which this speedy machine can be adapted to new conditions.

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★ Today's greater and greater production requires more and more safeguards for men and machinery. Safeguarding against the harmful effects of dust is vitally important. Over 5,000 Sly installations are providing cleaner plants, better vision, more healthful working conditions, keeping accidents down and production up.

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THE MARKETS

The price decline which has gripped the stock market since the end of the rather sharp rally which encouraged so many traders about a month ago showed a quickening tempo last week. As a result, some of the price averages followed so faithfully by the Street's chart-readers disclosed the largest loss for any week since the July smash. Moreover, a persistent move toward even lower levels has been in evidence this week.

• **Volume on the Down Side**—In addition, volume rose above the previous daily trading average at just the time when the market was at its weakest. However, even at the higher rate, the trading level remained far under that of July when considerable determined liquidation was seen. Thereafter, volume had generally diminished when prices receded.

It is generally believed that publication of the Treasury's drastic 1944 tax proposals probably got the week off to a bad start and accounted for part, at least, of the selling seen. However, some brokers say there was an even more potent unfavorable market factor present. This was the further unloading of speculative lines by traders who had accumulated stocks on the basis of Italy's surrender in the hope, since faded, that the war would end soon.

• **On the Bright Side**—Most market forecasters still see too much confusion reigning in the minds of investors to warrant the expression of any clear-cut opinion as to the near-term price trend. However, the more bullish elements point to the relatively favorable action recently of the corporate bond market and the uniform success of late of the "special offerings" of securities on the stock exchange floor as having favorable significance.

This coterie says, too, that for some time there has been little selling by large investment holdings purchased in the long pull. Also, that, despite the recent sloppy action of the rest of the list, preferred stocks, both quality and speculative issues, are still moving higher due to the consistent demand for such securities.

• **Little Real Enthusiasm**—However, the group does admit the complete absence from the market of any really strong buying power. Consequently, until something occurs to reawaken this, they agree it is too much to expect more than continuance of the recent desultory price performances.

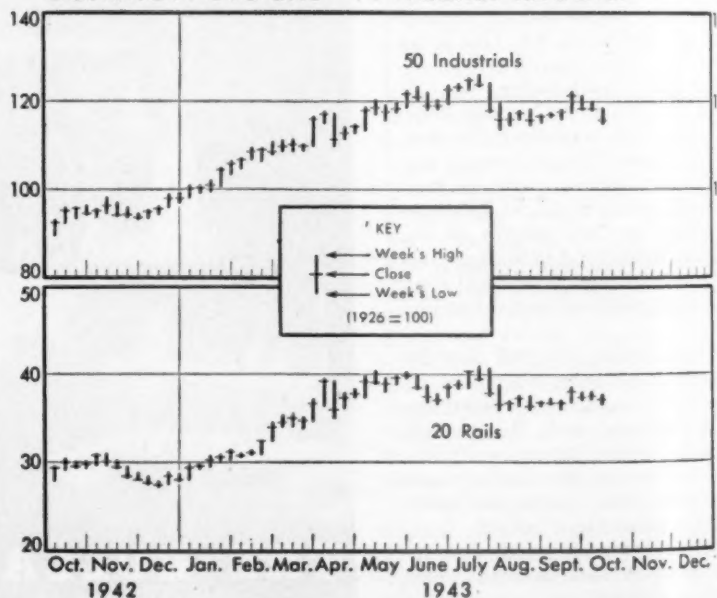
Latest Treasury figures show total receipts of the Third War Loan drive at over \$18,400,000,000, with some reports still to be checked. Last week's offerings to the commercial banks—excluded from the September drive—were considerably oversubscribed. Subscriptions for the \$1,500,000,000 3% certificate of indebtedness put up for sale exceeded \$5,380,000,000 and were over \$5,515,000,000 in the case of the similar amount of 2% bonds of 1951-53.

Security Price Averages

	This Week	Week Ago	Month Ago	Year Ago
Stocks				
Industrial ...	115.6	118.4	117.7	95.8
Railroad	37.2	37.5	36.8	30.0
Utility	50.2	51.2	50.8	34.0
Bonds				
Industrial ...	117.3	117.2	117.0	110.0
Railroad	98.1	98.0	98.1	87.0
Utility	115.3	115.5	115.6	107.0
U. S. Govt. ...	113.1	113.2	113.1	110.0

Data: Standard & Poor's Corp. except for government bonds which are from the Federal Reserve Bank of New York.

COMMON STOCKS—A WEEKLY RECORD



Data: Standard & Poor's Corp.

War Changeover

Oil concern, now engaged in munitions output, arranges to turn itself into a diversified investment company.

The magic that American business seems always to have up its sleeve is again in evidence. Last summer witnessed the startling transformation of an unsuccessful investment trust into the main manufacturing subsidiary of a prominent canner, Stokley Bros. & Co., Inc. (BW—Sep. 18'43, p105). Now not very successful integrated oil company is completing the steps which will transform it, at least partially, into a diversified investment company.

• **Changing Operations**—For quite a while, Panhandle Producing & Refining Co. has been engaged in all phases of the petroleum industry as an "independent." However, it has been interested chiefly in refining and marketing, operating two refineries plus a southwestern chain of both bulk and retail stations.

In 1942, with other independents, Panhandle chipped in to build a refinery capable of producing 100-octane aviation gas for the government, and a wholly owned subsidiary, Panhandle Steel Products Co., for some time, according to reports, has also been producing a substantial amount of war material.

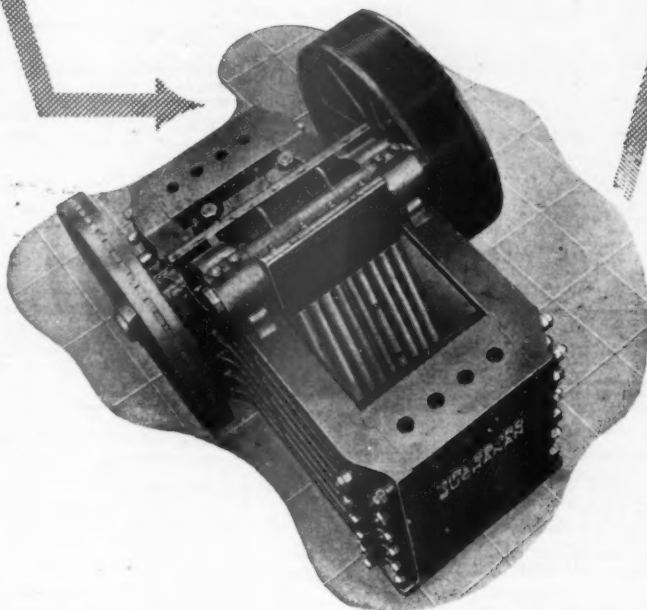
• **The Financial Record**—Nevertheless, it has not, for a long time, been able to report much in the way of earnings. In fact, net losses were seen throughout the 1929-1935 period, and average annual earnings on the almost 900,000 shares of common stock outstanding since a recapitalization was effected in 1938 have run around 8¢ a share.

The company, consequently, has been able to make only two disbursements on its stock since issuance—one of 10¢ in 1942 and another similar payment earlier this year, though 1942 earnings came to only 4¢ a share.

• **Into New Fields**—Stockholders have just approved a management request for charter amendments permitting the concern to engage in a general investment business. So that the latter phase of future operations will not make the company subject to the Investment Company Act of 1940, the maximum value of securities owned at any one time is not to exceed 35% of total assets, excluding cash and government securities.

The company's main aim will be the acquisition, and retention as long as desirable, of substantial positions in securities of special situations, not necessarily, though preferably, in the oil industry. However, it can also do security trading with idle funds.

An Important Advance in Crusher Design



* Patent applied for

New Birdsboro Deep Frame Crusher

The great depth of this new Birdsboro All-Steel Jaw Crusher* and the exceptional length of its crushing surfaces enable it to turn out greater tonnages to smaller sizes. The Crusher shown can be closed down to 4½", yet it can produce more than 400 tons per hour!

Among the outstanding features of this new Crusher are a special pitman that cuts upkeep and repairs 50%—newly designed toggles that have *renewable* flame hardened ends—and a new, longer swing jaw with *interchangeable* bowed type plates.

In spite of its huge size and strength, this modern Crusher has been engineered to clock-like precision. All parts can be quickly assembled above or below ground.

The Birdsboro Deep Frame Crusher is available in sizes to suit almost any requirement. We'll be glad to send you full details.

BIRDSBORO STEEL FOUNDRY AND MACHINE CO. • Birdsboro, Pa.

BIRDSBORO

BUCHANAN JAW CRUSHERS

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COMMODITIES

Hogs in Hiding

Only the little pigs go to market as OPA imposes ceilings on live animals—and these runs bring top-of-the-market prices.

If your dinner table is shy of pork chops during coming weeks, blame the farmers' reaction to OPA's ceiling on live hogs at \$14.75 a cwt., Chicago basis. Dismayed by the lid which the corn-hog country considers at least \$1 too low, raisers have been withholding hogs ever since Oct. 4 when the new top price took effect.

● **Differentials Disappear**—The first Monday under ceilings, slaughter runs at 20 leading markets totaled only 87,000 hogs against 138,000 a week earlier. Chicago prices during the preceding week had ranged around \$15.10 for top quality down to \$11.75 for least desirable grades. When the ceilings went into effect, packers promptly bid the ceiling for everything in sight (whether a firm-fleshed 250-lb. barrow or a 100-lb. runt).

Farmers, who quickly caught on, began culling their herds of all the sorry stock. This week, poor animals were still coming to market, and the packers were still paying the ceiling.

● **On the Other Side**—OPA's position is that it isn't rewarding anybody; if the packers want to pay a premium for scrub hogs, that's their business. The price agency set out to fix ceilings that embodied going differentials for grade but found the job too complicated. Though smarting under newspaper comments that it had forced all pigs to sell at the same price, OPA argues that hog marketing will shortly return to normal. (The agency plans to take steps if its prediction doesn't prove correct—but it admittedly doesn't know exactly what the steps would be.)

The trade believes OPA slapped on its ceilings hastily with foreknowledge of coming Army contracts. In any event, packers received, for delivery by Nov. 6, the biggest order ever; at current slaughter rates, it will take 75% to 85% of the pork kill until filled.

● **Hogs Get Fatter**—Eventually, of course, hogs will have to come to market, probably by mid-November. But as long as good weather lasts, every Corn Belt farmer (despite the much-heralded shortage of feed) is fattening up choice pigs, confident he can sell them before huge runs break the market.

And, even if a break comes, prices presumably can't go under the government support level of \$13.75.

THE TRADING POST

Patch . . .

Under the title "Fog Patch in the Star Picture," a Pacific coast correspondent writes me as follows:

The Marines have a saying: "Never volunteer for nothing, at no time, because you are plenty coming to you."

Too bad, that so much postwar business is being bogged down in uncertainty about foreign relations after the war.

How can I plan for peace," asks the

Man, "when I don't know how much we are going to give away, in the big of our hearts. Or what we are going

to do about tariffs, lend-lease bills, taxes—

anything. Before I can plan, there will

be to be changed views in Washington."

Planning now, is largely aiming ahead of

target. We can be certain that we shall

be to meet the unexpected. To expect

to meet it, and not be thrown off balance,

step in planning.

in our future relations with other coun-

tries, we are volunteering for everything.

is this the time for that—and it is sub-

ject to definite discounts.

* * *

We have always been incurably romantic

in our thinking about other countries—

even when we thought of them at all. Starting

with the assumption that they are less

envious than ourselves, or at the best not

fortunate, we have proceeded to do

nothing for them—to discover, later,

that we haven't done enough, or that what

we really wanted was something else.

So, after nearly a generation, the earth-

like supplies that we sent the Jap, came

here at Bataan to show us how American

heartedness really looks from the other

side.

Again and again disillusioned, we have

found the cure, only to go back to the bottle

of romanticism. Today, we are proving that

we are incurable.

* * *

It is the morning after that the executive

has to depend upon in postwar plan-

ning. We are bound to sober up. Not all

of us are attending the romantics party.

Business is going to be very different when,

instead of loading our output for Allied

forces, without a bill, a price or a cost-sheet,

we have to meet competition in selling, at

home and abroad.

In the end, no matter how much nations

promise to do for each other, the actual do-

ing will come down to practical deals be-

tween individual exporters and importers.

* * *

Then, as we get into the needy countries,

we shall discover that they need, not a dol-

lar, but the advances of seeds, food,

tools, and tools to get back to doing for

themselves.

Umisia had a crop coming on, and

needed not always tools, but rather expert

knowledge of Axis mines from the wheatfields

around could be harvested. Sicily had food

growing along, and materials to trade for

that it immediately lacked. It wanted chiefly

the Fifth Freedom, to take off its coat, and get busy on its own.

No American executive who ever hired a gang of Italian immigrants is going to believe that Italians at home are unable to take care of themselves, once they are given the chance.

Let the romantics go full lengths, and turn up in those lands with their hands full of gifts, and their people will administer the cure.

"Lend me a hoe, and a dollar—and be damned to you!"

* * *

Again, by the time we are ready to do for other countries, there will be several million service men coming home from those lands, with first-hand knowledge of what their people are and can do with. Deprive the service men of their votes, and they would still be well able to delouse the romantics.

The executive, who then is ready for normal production and marketing, will be hiring service men who can talk about the liberated countries in terms of ready resources and purchasing power.

And in those other countries, just because the American service man has been there, they will have different ideas about rebuilding. Instead of a dole from us, they will want to do things approximately our way.

* * *

It was in 1919 that an American agency for doing good abroad sent to France a railroader named Fullerton who had been assigned a job by his company. A dozen years before, to scotch a popular notion that the east end of Long Island was unfit for farming, he had started a model farm, grown every type of crop, made it pay, and got farmers to follow.

Fullerton's assignment in France was to see what big-hearted America could do to grow crops again on the war-blighted soils of occupied zones. How much money would be needed, what chemicals—if it could be done at all?

The railroader was so quiet on his first inspection of the ruined lands that they asked, "Well, what about it—have you nothing to say?"

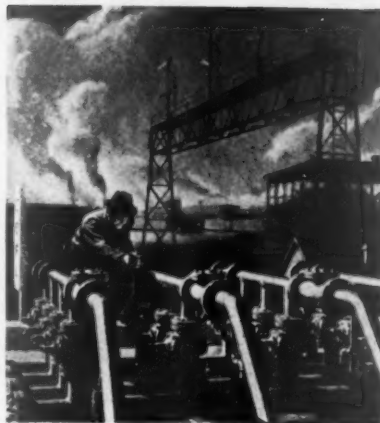
"Why, I've been too busy just looking around, to say anything," he answered. "Here in this ruined soil, I see the finest weeds growing—and where weeds will grow, crops will grow."

"For four years, the Germans have been shooting into these fields the fine fertilizer chemicals they used to sell to us—crops ought to grow here for ten years without any more fertilizer."

Fullerton thought that all the French peasant needed was tools and seed, and he introduced the French edition of the "Man with the Hoe" to our American wheel-hoe, a tool that delighted him because it abolished the stoop-labor that had put an age-old kink in his back.

If it's merely fear of the give-away spirit that holds up your postwar thinking, we can rely upon the human certainties of the situation to clear it up—so damn the torpedoes, and go ahead.

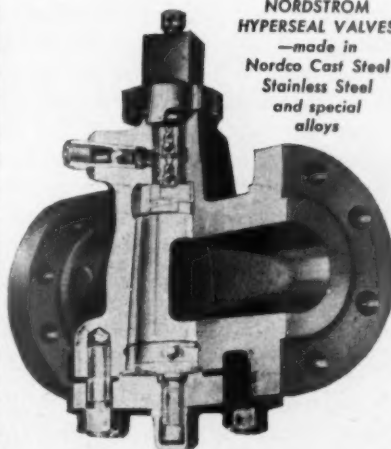
W.C.



Maintain Flow-line Traffic Control through Nordstrom Valves

Switches on a railway have to be positive. Foolproof control of flow lines in any plant is likewise essential. If a valve closure has to be screwed down and cinched to effect a tight seal there's a strain somewhere which later may cause failure. But in a Nordstrom Lubricated Valve no strain, no cinching, no screwing down against a seat, occurs. You merely turn the plug 90° where it hits a stop. The plug rotates on a seat of lubricant. A full shut-off can be accomplished in a moment's time.

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THE TREND

TWO JOBS FOR THE TAX-MAKERS

With the passage of the last revenue act, it became a first axiom of sound tax policy that no major boost in yields could thereafter be effected without instituting new types of levies (BW—Feb.6'43,p96; Feb.27'43,p106). So perhaps the worst feature of the Administration's new tax proposals to raise 10.5 billion dollars is the show they make of orthodoxy—of adhering to tried-and-true methods of raising revenue. Economic Stabilization Director Fred Vinson even recommends the proposals to Congress because they "present no new ideas!"

Fortunately, they do: Of the 6.5 billion dollars asked for in individual income taxes, up to 3.5 billions may be refundable—forced savings—if Congress desires. The remainder of the 10.5 billion total is to be made up 0.4 billions from estates, 1.1 billions from corporations, and 2.5 billions from excises. So, the Administration is actually asking 7.0 billions from the old sources of excises and direct taxes on individuals and corporations and 3.5 billions from the new source of forced savings. This tacitly admits that the old ore is about played out.

• Beyond the two criteria of raising revenue and combating inflation, there are three other considerations in wartime taxation: the degree to which taxes might interfere with war production, the degree of hardship which they might create among individuals in special circumstances, and the facility with which they might be administered. These place an approximate ceiling on direct corporate, excise, and individual-income levies.

It is only natural to expect that the Treasury's estimates of what revenue can still be squeezed from these old sources would be on the optimistic side, and to expect Congress, which is more sensitive to complaints, to reduce these levies to, say, five billions or less.

What then? Must we make up the two billions from new sources? The answer depends on why we want a tax bill at all. Two different—though interdependent—reasons are to raise revenue and to combat inflation.

• Now, some excellent methods of raising revenue do little to combat inflation. Expenditure of corporate income is effectively limited by direct controls over such things as salaries, inventories, and plant expansion, so that corporate taxation is hardly anti-inflationary. Rather, the inflationary pressure on prices derives from the excess of consumer income over the current value of available supplies. Yet part of that excess income is normally saved, and another part is saved when peacetime goods disappear, so that the truly dangerous part of the excess income is only that which consumers try to spend. And in the case of very large incomes, the great bulk is ordinarily saved, so that taxing them sharply reduces savings, but cuts consumption only slightly. Thus steeply progressive income taxes may have little anti-inflationary effect.

Just as big revenue-producing levies may combat infla-

tion only incidentally, so may measures designed for sharply anti-inflationary effect yield but little new revenue, and only as a byproduct. For instance, forced savings, because they must be refunded, do not in the long run reduce the government debt or constitute pay-for-the-war-as-you-go taxation.

• Any new tax bill must tackle two jobs—clean up possibilities in the existing sources of revenue, and open new ways to restrain inflation. Yet two such tasks can be summed up under one goal of so many billions of dollars. For instance, how should we take the Treasury total goal of 10.5 billions—as 3.5 possible forced savings and 7.0 revenue? Or as 1.5 billions from corporations and estates, and 9.0 billions from inflationary, excess income? And what happens to the figures if we trim some sections, increase others, or suggest substitutes?

If we truly need a minimum of additional revenue it should be set separately from whatever goal is needed for draining away excess income. And we must recognize that, because different tax measures affect voluntary savings differently, the anti-inflation goal cannot itself be set in gross terms of so many billions to be raised from individuals, but rather in net terms of so many billions to be diverted from spending channels.

In general, most of our past taxes have been for revenue, and most of the possible revenue taxes have already been imposed; also, existing taxes combat inflation little and few anti-inflation ideas have yet been tried.

Levying new taxes remains a difficult enough job. How can the burden be distributed most equitably? How most politically? How most easily from an administrative standpoint? How with least hardship? How with most effect on inflation? How with least effect on war production? These and similar questions are tough enough to answer without confusing old sources with new needs, old needs with new sources.

There seems to be a general agreement that combating inflation is the biggest part of the tax job to be done. Willy-nilly, the logic of wartime taxation is now forcing the Treasury to toy with forced savings and Congress to play with a sales tax—both new departures.

• It is to be hoped that both parties will see that there is a two-fold task and will set about getting the most possible out of existing sources of revenue first; then, if it be decided that more has to be raised simply to combat inflation, will finally engage in an honest exploration of all the various alternatives—including induced savings plans, spending taxes, and types of progressive sales taxes, as well as forced savings and the flat sale tax. Otherwise, with two jobs to do, one of them new, the tax-makers' inhibitions will subject them to a mad case of schizophrenia.

The Editors of Business Week

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